

tion of the amendment to Senate bill 2910 affecting radio station WLWL, New York; to the Committee on Merchant Marine, Radio, and Fisheries.

3745. By Mr. FORD: Resolution adopted by the Fifty-fifth Assembly District Democratic Club of Los Angeles, endorsing the President in the cancelation of the air-mail contracts; to the Committee on the Post Office and Post Roads.

3746. Also, resolution adopted by the Sixty-fourth Assembly District Democratic Club of Los Angeles, endorsing the action of the President in the cancelation of the air-mail contracts; to the Committee on the Post Office and Post Roads.

3747. By Mr. HOWARD: Petition of C. H. Winther and numerous other livestock producers, of Wisner, Nebr., urging the passage of Senate bill 3064; to the Committee on Agriculture.

3748. By Mr. JAMES: Resolution of the village of Baraga, Mich., through P. M. Getzen, clerk, favoring the passage of House bill 8479, or the so-called "McLeod bill"; to the Committee on Banking and Currency.

3749. Also, petition of the J. August Anderson & Peter Anderson Fish Co., and other citizens of Marquette Mich., opposing the passage of House bill 7979; to the Committee on Merchant Marine, Radio, and Fisheries.

3750. By Mr. JOHNSON of Texas: Petition of E. B. Tinker, cashier of the Citizens National Bank of Hillsboro, Tex., favoring Senate bill 2601; to the Committee on Banking and Currency.

3751. By Mr. LEHR: Petition of the Ladies' Society of the Brotherhood of Locomotive Firemen and Engineers, Charity Lodge, No. 125, of Jackson, Mich., opposing the Prince plan and the consolidation of the railroads; to the Committee on Interstate and Foreign Commerce.

3752. Also, petition of the Raisin Valley Grange, of Lenawee County, Mich., that our President and the assembled Congress should immediately take steps to stabilize agriculture by definite minimum-price values on grains and cotton to be based on production costs plus a fair profit; to the Committee on Agriculture.

3753. By Mr. LINDSAY: Petition of the Globe Tile Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner-Lewis bills; to the Committee on Labor.

3754. Also, petition of the Gleason-Tilbott Glass Co., Brooklyn, N.Y., opposing the passage of the Wagner-Lewis bills (S. 2616 and H.R. 7659); to the Committee on Labor.

3755. Also, petition of waste-material sorters, trimmers, and handlers, of Brooklyn, N.Y., approving the Wagner-Lewis bills; to the Committee on Labor.

3756. Also, petition of the Ladies Auxiliary of the Brooklyn Local Federation of Catholic Societies of the city of New York, urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Interstate and Foreign Commerce.

3757. Also, petition of the General Ceramics Co., New York City, concerning the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3758. Also, petition of Patrick H. Ryan, New York, opposing the passage of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3759. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts in favor of direct loans to industry by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

3760. By Mr. MERRITT: Petition of sundry citizens of Bridgeport, in the Fourth Congressional District of the State of Connecticut, protesting against the enactment of House bill 8720 providing for the regulation of national securities exchanges; to the Committee on Interstate and Foreign Commerce.

3761. By Mr. MILLARD: Petition signed by residents of Rockland County, urging the immediate discontinuance of the payless furlough; to the Committee on the Post Office and Post Roads.

3762. By Mr. PERKINS: Petition of the Woman's Christian Temperance Union, of Oradell, N.J., petitioning for early hearings and favorable action on the Patman mo-

tion-picture bill (H.R. 6097) providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3763. By Mrs. ROGERS of Massachusetts: Petition of Senate and House of Representatives of the State of Massachusetts, memorializing Congress in favor of direct loans to industry by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

3764. Also, petition of Lt. Laurence S. Ayer Post, No. 794, Veterans of Foreign Wars, of Fitchburg, Mass., protesting against the use of labor-saving devices in the Civil Works Administration work at Fort Devens, Mass.; to the Committee on Labor.

3765. By Mr. RUDD: Petition of the General Ceramics Co., New York City, opposing the passage of the Fletcher-Rayburn stock-exchange control bill; to the Committee on Interstate and Foreign Commerce.

3766. By Mr. SUTPHIN: Assembly Joint Resolution No. 2, State of New Jersey, memorializing the Congress of the United States to protect the people against lynch law and mob violence; to the Committee on the Judiciary.

3767. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress in favor of direct loans to industry by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

3768. By the SPEAKER: Petition of the Brown County Farm Bureau board of directors, Mount Sterling, Ill., endorsing Senate bill 3064; to the Committee on Agriculture.

3769. Also, petition of the National Retail Lumber Dealers' Association, of Washington, D.C., presenting a proposal designed to rehabilitate the home-building industry through the aid of Federal financing for a temporary period; to the Committee on Banking and Currency.

3770. Also, petition submitted by Delegate McCANDLESS, of Hawaii, transmitting a copy of a cable from the Board of Supervisors of the County of Kauai, Territory of Hawaii, protesting against the provisions of the Jones-Costigan sugar bill which are regarded as discriminatory against the Territory of Hawaii; to the Committee on Agriculture.

3771. Also, petition of the Improved Benevolent and Protective Order of Elks of the World, signed by 10,000 colored citizens of the State of Louisiana, endorsing the antilynching bill presented jointly by Senators WAGNER and COSTIGAN and by Representatives FORD and WEST; to the Committee on the Judiciary.

SENATE

WEDNESDAY, APRIL 11, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

The Senate met at 12 o'clock noon, on the expiration of the recess.

ILLINOIS PRIMARY ELECTION

Mr. ROBINSON of Arkansas. Mr. President, I ask that there be inserted in the RECORD a press report having relation to the primary election held in the State of Illinois yesterday.

There being no objection, the item was ordered to be printed in the RECORD, as follows:

NEW DEAL, RAINY ARE ENDORSED BY SMASHING VOTE IN ILLINOIS

CHICAGO, April 10.—A smashing victory for administration new-deal policies was claimed tonight as returns from the Illinois primary election revealed an unusually large number of Democratic ballots.

Candidates for Democratic nominations appeared on the basis of incomplete returns to have drawn a majority of the total vote for the first time in a primary in more than 50 years in traditionally Republican Illinois.

Late returns indicated a total vote of approximately 1,750,000. The Chicago vote was about 750,000.

Speaker of the House HENRY T. RAINY, of the Tenth District, who charged that Wall Street had poured money into his district to beat him, apparently had snowed under his opponent for the nomination, James H. Kirby, a farmer and former State legislator.

Michael L. Igoe, Chicago, former minority leader of the House, and Representative MARTIN BRENNAN, Bloomington, both had a 6 to 1 lead over their nearest opponent for the two Democratic nominations for Congressmen at large. Both candidates were

endorsed by the regular party organization. WALTER NESBIT, the other incumbent, was running a poor third. The 16 other Democratic incumbents, however, appeared to have won renomination.

Representative JAMES SIMPSON, Jr., millionaire Winnetka sportsman, was running almost even with Ralph E. Church, of Evanston, for the Republican nomination in the Tenth District. The heavy vote for Church was seen as a Republican endorsement of the Democratic administration. SIMPSON was opposed by Secretary of the Interior Ickes, who charged him with failure to understand the N.R.A.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Pope
Ashurst	Cutting	Keyes	Reed
Bailey	Davis	King	Reynolds
Bankhead	Dickinson	La Follette	Robinson, Ark.
Barbour	Dill	Lewis	Robinson, Ind.
Barkley	Duffy	Logan	Russell
Black	Erickson	Loneragan	Schall
Bone	Fess	Long	Sheppard
Borah	Fletcher	McAdoo	Shipstead
Brown	Frazier	McCarran	Smith
Bulkley	George	McGill	Steiwer
Bulow	Gibson	McKellar	Stephens
Byrd	Glass	McNary	Thomas, Okla.
Byrnes	Goldsbrough	Murphy	Thomas, Utah
Capper	Gore	Neely	Thompson
Caraway	Harrison	Norbeck	Townsend
Carey	Hastings	Norris	Tydings
Clark	Hatch	Nye	Vandenberg
Connally	Hatfield	O'Mahoney	Van Nuys
Coolidge	Hayden	Overton	Wagner
Copeland	Hebert	Patterson	Walcott
Costigan	Johnson	Pittman	Walsh

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Florida [Mr. TRAMMELL] and the Senator from Illinois [Mr. DIETERICH] are necessarily detained from the Senate and that the Senator from Montana [Mr. WHEELER] is absent because of a severe cold.

Mr. HEBERT. I desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] and the Senator from Maine [Mr. HALE] are necessarily absent from the Senate.

I also desire to announce that the Senator from Vermont [Mr. AUSTIN] and the Senator from Maine [Mr. WHITE] are detained from the Senate in committee.

Mr. McKELLAR. I wish to announce that my colleague the junior Senator from Tennessee [Mr. BACHMAN] is unavoidably detained. I will ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on the 9th instant the President approved and signed the following acts:

S. 1528. An act to amend section 3702, Revised Statutes;

S. 2308. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

S. 2592. An act granting the consent of Congress to the State of Minnesota, and Scott County and Carver County, in the State of Minnesota, to construct, maintain, and operate a bridge across the Minnesota River at or near Jordan, Minn.;

S. 2593. An act granting the consent of Congress to the Highway Department of the State of Minnesota to construct, maintain, and operate a free highway bridge across the St. Louis River at or near Cloquet, Minn.;

S. 2594. An act granting the consent of Congress to the Highway Department of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the southerly end of Lake Bemidji, Minn.; and

S. 2953. An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct,

maintain, and operate a free highway bridge across the Cumberland River at or near Carthage, Smith County, Tenn.

AMERICAN NATIONAL MARITIME BOARD (S.DOC. NO. 168)

The VICE PRESIDENT laid before the Senate a joint letter from the Secretaries of Commerce and Labor and the Postmaster General, reporting, pursuant to Senate Resolution 122 (agreed to Jan. 10, 1934), in relation to the advisability of initiating an American National Maritime Board, and recommending that the investigation contemplated by the resolution be postponed pending the approval of the general shipping code and a thorough trial of its provisions with regard to labor matters, which, with the accompanying papers, was referred to the Committee on Commerce and ordered to be printed.

PRICE FIXING IN FAIR-COMPETITION CODES

The VICE PRESIDENT laid before the Senate a letter from the Administrator of National Recovery, transmitting, in response to Senate Resolution 157 requesting copies of N.R.A. fair-competition codes dealing with price fixing and of analyses thereof, a list of 32 codes (with a copy of each code) in which some degree of price determination is provided for and stating, "I am unable to furnish industrial, consumers', and labor analyses with respect to these codes, as such analyses are not in existence", which, with the accompanying papers, was referred to the Committee on Finance.

ANALYSES OF IMPORT AND EXPORT TRADE

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, in partial response to Senate Resolution 334 (72d Cong., 2d sess.), analyses of the import and export trade of the United States (by countries), supplementing similar information transmitted to the Senate on March 8, 1934, concerning British India, Japan, and New Zealand; also, transmitting reports of tariff and trade restrictions imposed since January 1, 1922, relative to Canada, Brazil, France, Chile, Colombia, Sweden, Spain, Union of South Africa, Australia, British India, and New Zealand, and stating that additional analyses of trade with other countries and additional lists of tariff and trade restrictions are being prepared and will be sent to the Senate upon completion, which, with the accompanying papers, was referred to the Committee on Finance.

LOANS TO INDUSTRY BY RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, favoring the making of loans by the Reconstruction Finance Corporation directly to industry instead of through the agency of mortgage loan companies, which was referred to the Committee on Banking and Currency.

(See resolutions printed in full when presented by Mr. WALSH on the 10th inst., p. 6290, CONGRESSIONAL RECORD.)

CIVIL WORKS RELIEF PROGRAM IN MINNEAPOLIS

Mr. SHIPSTEAD presented resolutions adopted by the City Council of Minneapolis, Minn., which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution by Aldermen Pearson, Swanson, Bastis, Bank, and Kauth petitioning the Federal Government to continue the Civil Works Administration program in Minneapolis, and declaring the opposition of the City Council of the City of Minneapolis to the substitution of the Relief Works Administration work program for such Civil Works Administration program, and appointing a committee of the City Council of the City of Minneapolis to present such matters to the Federal Government

Resolved by the City Council of the City of Minneapolis, That, whereas it appears that several thousand workers employed under the Civil Works Administration in the city of Minneapolis are opposed to the discontinuance of such Civil Works Administration program and that the workers are opposed to the substitution of the Relief Works Administration program for such Civil Works Administration program: Now, therefore, be it

Resolved by the City Council of the City of Minneapolis, That it hereby petitions the Federal Government to continue the Civil Works Administration program in the city of Minneapolis, the rate of compensation to be paid the workers to be the regular union scale paid in the city of Minneapolis for such work, the

compensation to be paid in cash, and the workers not to be required to work more than 30 hours each week; and be it further

Resolved, That the City Council of the City of Minneapolis hereby declares its opposition to the Relief Works Administration program as being in effect forced labor, it requiring the recipients of public relief to work out their relief, which is entirely inadequate, and the proposed program allowing 10 percent additional in cash and 15 percent in supplies being entirely insufficient to give the relief workers a fair standard of living. The City Council of the City of Minneapolis desires to vigorously oppose the theory of forced labor; and be it further

Resolved, That Aldermen David Blomberg, president of the City Council of the City of Minneapolis, I. G. Scott, Edwin Hudson, John Swanson, and Charles Rosander be, and they are hereby, appointed a committee to present this resolution to the Federal Government and such departments thereof as may be necessary; and that copies of this resolution be forwarded to the two United States Senators from Minnesota and all of the Members of the House of Representatives from the State of Minnesota.

Passed April 6, 1934.

DAVID BLOMBERG,
President of the Council.

Approved April 8, 1934.

Attest:

A. G. BAINBRIDGE, *Mayor.*

CHAS. C. SWANSON, *City Clerk.*

DR. WILLIAM A. WIRT

Mr. ROBINSON of Indiana presented a resolution adopted by the Kiwanis Club, of Gary, Ind., which was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution

KIWANIS CLUB, Gary, Ind.

Whereas the press of the United States has given wide publicity to certain statements made by Dr. William A. Wirt, superintendent of schools in Gary, regarding trends and changes in our form of government; and

Whereas have had intimate contact with Dr. Wirt throughout the many years of his efficient public service in Gary; and

Whereas his understanding of national problems was demonstrated to us in an address made before our club some 2 years ago, wherein he advocated certain changes in our monetary system, which changes have, since that time, been enacted into national law: Now, therefore, be it

Resolved, That the Kiwanis Club of Gary, Ind., in meeting duly assembled, hereby affirms its confidence in the erudition, integrity, and sincerity of Dr. Wirt; and be it further

Resolved, That this resolution be spread on the records of this club, and that copies be sent to the President of the United States, to our Indiana Senators, to the Representative in Congress from the First Indiana Congressional District, and to Dr. Wirt.

Adopted this 4th day of April 1934.

GLEN REARICK, *President.*
R. G. CLARKE, *Secretary.*

REPORTS OF COMMITTEES

Mr. BULOW, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 250) for the relief of Fred Herrick, reported it without amendment and submitted a report (No. 699) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 1362. An act for the relief of Edna B. Wylie (Rept. No. 700); and

H.R. 2169. An act for the relief of Edward V. Bryant (Rept. No. 701).

Mr. BAILEY also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H.R. 1197. An act for the relief of Glenna F. Kelley (Rept. No. 702);

H.R. 1211. An act for the relief of R. Gilbertsen (Rept. No. 703); and

H.R. 1212. An act for the relief of Marie Toenberg (Rept. No. 704).

Mr. BAILEY also, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1633. An act for the relief of Emma Fein (Rept. No. 705); and

H.R. 916. An act for the relief of C. A. Dickson (Rept. No. 706).

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2046) to provide relief for disbursing officers of the Army in certain cases, reported it with an amendment and submitted a report (No. 707) thereon.

INVESTIGATION OF DISTRIBUTION OF MILK AND DAIRY PRODUCTS

Mr. MCGILL, from the Committee on Agriculture and Forestry, to which was referred the resolution (S.Res. 168) creating a special committee to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States, reported it with amendments and submitted a report (No. 708) thereon, and on motion of Mr. MCGILL the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 10th instant that committee presented to the President of the United States the enrolled bill (S. 2729) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

A bill (S. 3340) to repeal certain provisions of the act of March 4, 1915, and the act of March 3, 1933, pertaining to the length of foreign-service tours of duty in the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. GIBSON:

A bill (S. 3341) to revive and reenact the act entitled "An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.", approved March 2, 1929; to the Committee on Commerce.

By Mr. DILL:

A bill (S. 3342) to establish a United States Army air depot at Spokane, Wash.; to the Committee on Military Affairs.

By Mr. BARBOUR:

A bill (S. 3343) for the relief of the city of Perth Amboy, N.J.; to the Committee on Claims.

By Mr. SCHALL:

A bill (S. 3344) for the relief of Pete Jelovac; to the Committee on Claims.

A bill (S. 3345) for the relief of Charles D. Jeronimus; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 3346) to amend the naturalization laws with respect to records of registry and residence abroad; to the Committee on Immigration.

By Mr. HATCH:

A bill (S. 3347) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, N.Mex.; to the Committee on Claims.

By Mr. LA FOLLETTE:

A bill (S. 3348) to provide for additional appropriations for public works, to amend the National Industrial Recovery Act, and for other purposes; to the Committee on Education and Labor.

CHANGE OF REFERENCE

On motion of Mr. LONERGAN, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2326) for the relief of Patrick Francis Shea, and it was referred to the Committee on Naval Affairs.

INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. HASTINGS submitted an amendment intended to be proposed by him to House bill 7835, the revenue bill, which was ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 193. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929;

S. 194. An act to change the name of B Street SW., in the District of Columbia;

S. 1820. An act to amend the Code of Law for the District of Columbia;

S. 1983. An act to authorize the revision of the boundaries of the Fremont National Forest in the State of Oregon;

S. 2006. An act for the relief of Della D. Ledendecker;

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia;

S. 2509. An act to readjust the boundaries of Whitehaven Parkway at Huidekoper Place in the District of Columbia, provide for an exchange of land, and for other purposes;

S. 2545. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.;

S. 2571. An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes;

S. 2675. An act creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.;

S. 2857. An act to amend an act entitled "An act to incorporate the Mutual Fire Insurance Co. of the District of Columbia", as amended; and

S.J.Res. 15. Joint resolution extending to the whaling and fishing industries certain benefits granted under section 11 of the Merchant Marine Act, 1920, as amended.

HOUSE BILL REFERRED

The bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, was read twice by its title and referred to the Committee on Public Lands and Surveys.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. REED].

Mr. REED. Mr. President—

Mr. HARRISON. Mr. President, I thought there was pending the amendment relative to the tax on oils.

The VICE PRESIDENT. No. The pending question is on the amendment of the Senator from Pennsylvania [Mr. REED] offered just before the Senate took a recess last evening, which is to strike out on page 85, line 16, the words:

Despite the provisions of section 117 (a), 100 percent of the gain so recognized shall be taken into account in computing net income.

The Chair understands that is the amendment of the Senator from Pennsylvania.

Mr. HARRISON. Will not the Senator from Pennsylvania withhold that amendment for a while and reoffer it later? The Senator from Michigan [Mr. COUZENS], who is opposed to the amendment, is not now upon the floor, and I do not feel that we ought to take action in his absence, under the circumstances.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. I thought the understanding yesterday was that we simply deferred the vote on the oil amendment until this morning, and, pending that, we went on with other amendments.

The VICE PRESIDENT. The RECORD does not so show. It shows that the amendment was passed over until today, and, in the meantime, the Senator from Pennsylvania had pending, when the Senate took a recess yesterday afternoon, the amendment which the Chair has just stated.

Mr. NORRIS and Mr. McNARY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, the Senator from Mississippi very kindly, upon my request yesterday, allowed the oil amendment to go over. I have been in conference with quite a number of farm leaders; I have devoted some time to the preparation of an amendment to the committee amendment, and, when we get to the oil provision—I have no desire to interfere with the Senator from Pennsylvania—I should like to offer the amendment to the amendment and have it then considered. In the meantime, after that was laid aside, the Senator from Pennsylvania offered an amendment which I understand the Chair to state is now pending.

Mr. HARRISON. Mr. President, it was the intention of the chairman of the committee, following the request of the Senator from Nebraska, to lay aside the oil amendment until this morning and to ask that it be taken up this morning, that being one of the most controversial matters in the bill. I hope the Senator from Pennsylvania, who had offered his amendment in the meanwhile, will withhold his amendment for the present and let us dispose of the provision relating to oil. I ask unanimous consent that that may be done.

The VICE PRESIDENT. Is there objection?

Mr. REED. Mr. President, reserving the right to object, I should like to say a word for myself. The amendment which I have submitted could have been disposed of by this time if the Senate had considered it. I am compelled to leave the city tonight to be gone 2 days. While I want in every way to help the Senator from Mississippi, because I sympathize with him in the ordeal which he is undergoing, yet I do want to have an opportunity before I leave the city to have action on this amendment and one other amendment. However, in order to accommodate the Senator from Mississippi and the Senator from Maryland [Mr. TYDINGS], who has to leave the city soon, I now withdraw my amendment.

Mr. HARRISON. I will try to cooperate with the Senator from Pennsylvania.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Mississippi as modified.

Mr. NORRIS. Mr. President, I offer the amendment which I send to the desk. The amendment of the Senator from Mississippi is a substitute for the committee amendment. I take it that an amendment to the committee amendment would take precedence over the substitute because my amendment to the committee amendment seeks to perfect the language of the committee amendment.

The VICE PRESIDENT. The Chair understands, however, that the amendment of the Senator from Mississippi has been perfected and is now ready to be submitted to the Senate.

Mr. HARRISON. Yes.

The VICE PRESIDENT. The Senator from Nebraska offers an amendment to the committee amendment, which will be stated.

Mr. NORRIS. I am offering a perfecting amendment, to perfect the language of the committee amendment, which the Senator from Mississippi seeks to strike out.

The CHIEF CLERK. It is proposed, on page 214, at the end of line 15, to add the following proviso:

Provided, That all taxes collected under this subsection upon the products of the Philippine Islands shall not be covered into the general fund of the Treasury of the United States, but shall be held as a separate fund and paid into the treasury of the Philippine Islands. If the Philippine government by any law provides for any subsidy to be paid to the producers of copra, coconut oil, or allied products, then this proviso shall at once become null and void.

Mr. NORRIS. Mr. President, I take this opportunity to thank the Senator from Mississippi [Mr. HARRISON] for his kindness in agreeing to lay aside the oil amendment until today.

There has been presented by the committee amendment a very serious question in which the farmers of the United States are particularly interested. They are all very much worried about bringing into this country copra and coconut oil, which interferes with the sale of fats and oils of all kinds produced here in America from cattle, hogs, and so forth. A tariff tax is levied upon such products when they come here in the regular way, but the tariff tax does not apply to products from the Philippine Islands, with the result that producers there are able to escape such a tax.

Within the last year or so the administration has started on a farm-relief program. We have limited the production of all, or practically all, farm products. The farmer, concerned with that limitation, finds that fats and oils imported from the Philippine Islands do not have to pay a tax under the tariff law, and therefore, without any tax of any kind levied upon them, come in competition with the fats and oils produced in this country. Of course with reference to oils produced elsewhere and imported into the United States there is a tariff tax.

It seems to me we are confronted with the fact that it is very difficult to do justice both to our wards, the Filipinos, and to the American farmer. When the farmer finds himself thus handicapped, he is justified in the belief that he must have some protection against the importation of coconut oil and copra from the Philippine Islands which, under existing law, can be brought in without the payment of any tariff tax.

As a Senator very eloquently said yesterday, if we have to do an injustice either to the Filipinos or to the American farmer, it would be better to do that injustice to the Filipinos rather than to the American farmer. It seems to me that unless we amend the proposal of the committee, we are confronted with a situation in which we must do an injustice to one or the other. I think I speak the sentiment of the Senate when I say that when we hold the Philippine Islands without their consent under our Government, we have no moral right to levy a tariff tax upon the products of those islands as we do upon the products of foreign countries.

The processing tax which was inserted in the bill by the House provided for a tax of 5 cents a pound upon coconut oil and copra. Its effect, if unmodified, would be the same as though we had levied a tariff tax. The Government would make money out of it because the tax would be paid into the Treasury of the United States.

As one who is in favor of giving independence to the Philippine Islands just as quickly as we possibly can, I voted for every amendment to the Philippine independence bill that had a tendency to bring about that end. Those of us who felt as I did favored those amendments, and then we voted for the bill as it finally became a law.

Mr. President, my amendment in the first place provides that the revenue derived from this tax shall not be covered into the Treasury of the United States but shall be held in a separate fund and paid to the Philippine government. The objection first raised was and is that the Philippine government could still grant a bonus or subsidy in the same amount

to the producers of coconut oil and copra in the Philippines, and thus nullify the effect of our tax. In other words, if the Philippine government should do that, our tax would be absolutely of no effect so far as the importation of coconut oil and copra from the Philippines is concerned. It would not help us and it would not help the American farmer. The Philippine producer of the coconut oil and copra would be able, with a bonus of the same amount as the tax, to sell as he did before, and the American farmer would get no benefit from the tax.

To meet that objection, it is provided in my amendment that if the Philippine government at any time shall grant a bonus or subsidy for the production of coconut oil or copra, then the provision will at once become null and void and of no effect, and the producers will stand under the amendment of the committee just as it was reported.

Mr. ROBINSON of Arkansas and Mr. CONNALLY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, I think we all realize the difficulties that are inherent in this subject; but I should like to call the attention of the Senator from Nebraska to the fact that his amendment would not provide any exemption as to coconut oil produced in the Philippine Islands. It would not give any benefit to those producers. The benefits would accrue to the Philippine government.

It is the contention of those who have raised the issue here that, in view of the position the United States occupies with respect to the control of the Philippines, it is unjust to impose a tax on their producers. This would be just as much a tax on the producers as if it were a tariff tax, as I see it; and the provision in the amendment of the Senator from Nebraska which forbids the Philippine government to give the benefit of this tax to the Philippine producers would leave us in the same attitude in which we now find ourselves.

It is true that the tax would inure to the Philippine government under the Senator's amendment, but it would not inure to the benefit of the Philippine trade. It would be just as much a restriction on that trade as if we levied a tariff tax of equal amount.

I merely make that suggestion to the Senator from Nebraska, knowing that he is impressed with the thought, as he stated in the beginning of his remarks, that we ought not, while exercising sovereign power over the Philippines, to impose a duty on their products imported into the United States. It seems to me that in that regard the amendment of the Senator from Nebraska leaves the matter just where we find it.

Mr. NORRIS. Mr. President, I think there is something in what the Senator from Arkansas has said.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I will ask the Senator to let me first answer the Senator from Arkansas.

In the first place, I doubt whether it is possible to draft an amendment here that will be technically just to everybody. We are now confronted with a situation where, unless we shall do something in regard to copra and coconut oil, we will strike a very hard blow at the American farmer. If we should take this money and put it in our Treasury, I think we would be unjustifiably interfering with the Philippine Islands and the people of the Philippine Islands; but we are turning it back to them. It is true that the amendment stipulates that they shall not provide for a subsidy for the production in the Philippine Islands of coconut oil and copra; but it is likewise true that the government of the Philippine Islands gets the benefit of all the tax, every cent of it. It all goes back to the government of the Philippine Islands, the people of the Philippines.

They ought to realize, it seems to me, if they want to be fair, that we have a problem here at home and that unless we do something of this kind, we are going to bring a great injustice upon the American farmer whom we have now compelled by law to limit his crop production; while confronting him, at the same time we have thus limited him

with absolutely free importations from the Philippine Islands of these fats which are coming into this country in enormous quantities, by the millions of pounds, and the importations are increasing rapidly and will increase more rapidly in the future. So it seems to me that when the Philippine government receives the benefit of all the money that is paid under this tax, the people of the islands ought to be willing to have this done, realizing that the United States Government must protect the farmers of our country, or else it means to a great many of them absolute ruin.

Mr. ROBINSON of Arkansas and Mr. MURPHY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Arkansas. Then I will yield to the Senator from Iowa.

Mr. ROBINSON of Arkansas. Mr. President, there would seem to be a measure of consistency in the amendment of the Senator from Mississippi [Mr. HARRISON], which in effect proposes to limit, according to what is apparently a fair standard, the importation into the United States of coconut oil from the Philippine Islands. I realize that that would not fully meet the demand that is being made for legislation on the subject, but I have been unable to find any way in which it can be done without doing injustice.

Mr. NORRIS. Mr. President, the amendment of the Senator from Mississippi to the amendment of the committee, in my judgment, leaves us just where we started, because the quota he has fixed in his amendment practically leaves the American farmer facing this coconut-oil importation without any defense whatever, as I see it, for the amount that can come in under the amendment is so large that it would absorb to a great extent the American market, and the limitation would not do anybody any good.

Mr. HARRISON. Mr. President, may I say to the Senator that, while the amendment does exempt from tax 520,000,000 pounds, which is the 5-year average—which, I may say, is opposed by the War Department and by the Filipino government, as I shall show, but it seems to me it is fair—there are some 300,000,000 pounds plus of coconut oil that come in from other parts of the world than the Philippines, and we impose the tax on every other kind of oil that comes in, which, it seems to me, will give a measurable benefit.

Mr. JOHNSON. Mr. President—

Mr. NORRIS. Let me say, as to coconut oil and copra that come in from other countries outside of the Philippine Islands, that the proposal does not affect them at all. They are subject to the tax. They are subject to our tariff laws, as the Philippines will be when they become absolutely independent; and the fact that the Philippines are under our flag is the reason why we are laboring under the great difficulty that now confronts us.

Mr. MURPHY. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I shall have to yield first to the Senator from Texas [Mr. CONNALLY], who sought to interrupt me some time ago.

Mr. CONNALLY. Mr. President, I desire to ask the Senator a question about his amendment. Suppose the Filipino government should say, "We will take this tax, and then we will just pay it back to the producer."

Mr. NORRIS. They cannot do it under the amendment.

Mr. CONNALLY. The Senator's amendment would prohibit that?

Mr. NORRIS. Yes, sir.

Mr. CONNALLY. In other words, they could neither use the tax as a subsidy, nor could they grant an independent subsidy?

Mr. NORRIS. They could not do either one.

Mr. CONNALLY. If that be true, I cannot see why the amendment would not have the effect of aiding the domestic producer, because the tax would be paid, and it is immaterial from his viewpoint what is done with it, whether it is thrown in the sewer or given to the Philippine government.

Mr. NORRIS. The Philippine government will get the money. They can use it in any way they want to use it, except as prohibited by the amendment itself; and that only goes so far as to say that, while they are getting this money, they must not by law provide for giving a subsidy to the production in the Philippine Islands of copra and coconut oil.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. Let me yield first to the Senator from Iowa [Mr. MURPHY], who has been trying for some time to get my attention.

Mr. MURPHY. Mr. President, the Senator from Texas [Mr. CONNALLY] has asked the question I had in mind.

Mr. JOHNSON. Mr. President—

Mr. NORRIS. Very well. I yield, then, to the Senator from Pennsylvania.

Mr. REED. Mr. President, has the Senator considered the question whether we have power to levy a tax by a law which on its face states that the revenue is not to be taken for the American Treasury, but for the treasury of an alien government?

Mr. NORRIS. No; in my judgment, we probably could not do that. I have never thought of it before; but, at first blush, I should say that if we gave the tax to an alien government, there would be something in that suggestion. We are not doing that, however. We are giving it to our wards. They are now under our Government, and we are supreme as to them. We can pass any law in that regard that we desire to pass.

Mr. REED. I grant that; but I do not believe that the Federal Government has the constitutional power to levy a tax for the benefit of any other government, whether it is the government of the city of Omaha or the government of the Philippine Islands or a government set up under any other system.

Mr. NORRIS. I do not agree with the Senator. I do not believe that any constitutional provision is involved here by which this tax would be nullified; and we have done the same thing in our tariff laws. We have given back, in some instances, tariffs that have been levied.

Mr. REED. To other governments?

Mr. NORRIS. No; not to other governments.

Mr. REED. Then I have another question to ask the Senator: Why is it any more unfair to the Filipinos to put a processing tax on one of their agricultural products than it is unfair to our own farmers to put a processing tax on their products?

Mr. NORRIS. I do not think it would be any more unfair.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. The Philippine people are not included in the law, however. They are expressly exempted from the law that enables the Secretary of the Treasury to put a processing tax upon the people of the United States.

Mr. REED. I do not agree with the Senator.

Mr. NORRIS. I have the law here.

Mr. REED. The law says that no tariff shall be put on their products, and this is not a tariff. It is a domestic tax, an excise.

Mr. NORRIS. I will say to the Senator from Pennsylvania that I have the law here on my desk.

Mr. FESS. The Agricultural Adjustment Act exempts them.

Mr. BORAH. Mr. President, I found last night that the A.A.A. Act expressly exempts the Philippine Islands.

Mr. NORRIS. Yes; it is done by express statute. I have it here on my desk.

Mr. REED. We could extend the A.A.A. by an amendment to cover the Philippines.

Mr. NORRIS. I think probably we could.

Mr. BORAH. That is really what we are doing in this bill.

Mr. REED. Mr. President, if the Senator will permit one more interruption, I cannot see why we owe any higher de-

gree of fairness to the Filipino than we do to our own citizens.

Mr. NORRIS. That is just what I say. I agree to that.

Mr. REED. While it is true that many of these processing taxes are refunded to the American farmer, it is equally true that many of them are not.

Mr. NORRIS. Yes.

Mr. REED. Take, for example, the tax which has been put on paper napkins and the tax which has been put on jute bags, in order to protect cotton. Those taxes are not refunded to anybody; and why those American citizens should be taxed and be expected not to complain, and then we should be so tender of the Filipino I cannot see.

Mr. TYDINGS. Mr. President, will the Senator from Nebraska yield there?

Mr. NORRIS. I will yield in just a moment.

The law exempts the Philippine Islands. That may have been wrong, but it is now the law. They are expressly exempted in the act that empowers the Secretary of Agriculture to levy a processing tax upon the American farmer.

The Senator says we ought to levy this tax on the Filipino farmer just the same. The Senator may be right, but we have not now the law under which we can do that. We might amend the law and do it. In my judgment, it is simply tantamount to saying, "Your remedy is not right. Let us take another one." I agree that probably a law might be drawn which would meet the proposition in the way the Senator has suggested, but we are not now confronted with that situation.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. TYDINGS. I wish to point out the distinction between the effect of the law upon the Filipino and upon the American farmer. Before I point that out, I want to say that I recognize that the Senator from Nebraska is trying to be fair with both peoples in the philosophy of his amendment. But may I point out that the processing tax on the American farmer is ostensibly a tax levied for the benefit of the American farmer, while the processing tax levied on the Filipino is a tax, not for the benefit of the Filipino but of the American farmer. If the Filipino were coming in upon the same plane with the American farmer, I would have no protest at all, but as I see it, we are asked to compel him to do something which we do not compel the American farmer to do, while they are all Americans.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield.

Mr. BORAH. May I suggest to the Senator from Maryland that while the processing tax is, as he says, "ostensibly" for the benefit of the American farmer, as a practical fact, it would have exactly the same effect upon the American farmer as upon the Filipino.

Mr. TYDINGS. I think there is much in the Senator's contention, but I simply wanted to point out that the purpose is different.

Mr. NORRIS. I think there is something in the contention, but the suggestion that has come from the Senator from Pennsylvania is simply to this effect, as I see it: "I am opposed to your remedy, I am opposed to doing it that way; I want to do it some other way." He may be right about that; there may be a better way, but faced as we are with the pending bill, it would be folly to stop its consideration long enough to frame a statute that would carry it out in the other way. There would be great difficulty. At the time we framed the statute we expressly exempted the Philippine Islands and had in mind as one of the things, the suggestion that has so well been made by the Senator from Maryland.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. REED. The amendment as reported by the Committee on Finance expresses exactly, to my mind, the fair

way of accomplishing the desired result. It imposes a processing tax of 3 cents a pound directly on the competing oils.

Mr. NORRIS. The Senator's contention, as I see it, is just the same as though we levied a tax on the products of the Philippine Islands. Technically we could do that; legally we could enact that kind of law and enforce it. Morally, it would be wrong. I myself have always opposed the levying of tariffs upon the products of the Philippine Islands, particularly when we take into consideration the fact that we are holding them under our government without their consent. It is so abhorrent to think that under those conditions we should levy a tariff tax that I should like to find some way to help the American farmer without resorting to that kind of a remedy.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BORAH. I know what the Senator has in mind, and I am in entire sympathy with it; but the trouble is that we are asked to hand back to the Government that which we are to take away from the citizen. It does not seem to me that that meets the proposition of dealing fairly with the people.

Mr. ROBINSON of Arkansas. Mr. President, to give the subsidy to the Philippine government does not help their trade; it does not help their production, and it does not help the people directly.

Mr. NORRIS. Mr. President, the suggestion made by the Senator from Idaho [Mr. BORAH] is correct. What is the object of all this legislation? What is the object of all our farm legislation? It is to increase the prices of the products of the farmer. This amendment would have that effect, I admit. It would raise the price to the consumer of these oils. There is no doubt about that. That is the object we have in view. If the Senator's suggestion is correct, then we must let our farmers suffer under this unjust situation, because we cannot meet it without increasing the price to somebody else.

Mr. TYDINGS. Mr. President, will the Senator yield further to me?

Mr. NORRIS. I yield.

Mr. TYDINGS. May I point out to the Senator, without discounting the splendid object he has in mind, with which I am very much in accord, that the net effect of this amendment would be to compel the Filipino Legislature, in effect, to levy a tax of 3 cents a pound on coconut oil and copra, whether they wanted to levy it or not, and to use the proceeds in any way they desired?

Mr. NORRIS. Oh, no.

Mr. TYDINGS. I do not mean that that is the actual way in which it would be carried out, but it would be the same as if we passed a tariff act levying a tax of 3 cents on those commodities.

Mr. NORRIS. I do not see it in that way. We would prohibit them from giving a bonus upon the production of coconut oil and copra.

Mr. TYDINGS. What I meant to say was that we would put a tax on their products coming into this country, then we would give them back the tax.

Mr. NORRIS. Yes.

Mr. TYDINGS. So that in effect, I do not mean actually, but in effect, it would be the same as if we compelled the Philippine Legislature to pass a law levying a tax of 3 cents a pound on copra and coconut oil, to use in any way they wanted, except that they could not use it for the benefit of the coconut grower.

Mr. NORRIS. Under this amendment, if it becomes a law, they can levy a tax if they want to in addition to this; but the levying of the tax is just the opposite of what this proviso prohibits. This proviso says they shall not pay a bonus. If they want to levy a tax and make their producers pay it, that would not be in conflict with this amendment at all.

But the American farmer is faced with the fact that copra and coconut oil from abroad take the place of the fats he produces at such a price that it is conceded he cannot compete with them. If we by law raise the price of the Philip-

pine product and give the money back to the Philippine government, I do not see where they have much reason to find fault with the legislation.

Mr. President, the American farmers are worked up about this proposition. They are taking it in dead earnest, because they realize what effect it would have. I could stand on this floor for hours and tell of the enormous amount of American-produced fats which has been forced out of the market because of the importation of these particular oils. We have recognized that fact by imposing a tariff upon the same kind of production which comes from every foreign country on earth in order to protect the American farmer and protect him from competition that is absolutely ruinous. So the American farmer is worked up about it.

I want to call the attention of the Senate to an organization, composed of the National Grange, the American Farm Bureau, the National Council of Cooperative Associations, the Farmers' National Grain Corporation, and the Agricultural Editors' Association, in session right at this moment. They have been in session for some time, at least, before today. They are worked up about this oil matter which is pending now before the Senate.

This morning the legislative agent of the National Grange, reading the RECORD, and noticing what had been done when this matter was passed over, came to my office, bringing with him the master of the Grange of the State of New Jersey. I had then prepared my amendment in part. He told me of this meeting. After he looked the amendment over, he said he thought it was proper, that he could not see anything wrong about it, that he thought it would meet the situation. However, he said, "I have no authority to approve it unless it is acted on at the meeting now in session, and I want to take a copy of the amendment and go down this morning and present it." He did that; and he came back to me just a few minutes before we convened today, giving me the list I have already read of the organizations participating in the meeting, and said that they had unanimously approved the amendment. They adopted the following resolution:

At a meeting of the delegates of the National Agricultural Conference in Washington today the following amendment to paragraph (a) of section 602 of the revenue bill, proposed by Senator NORRIS, was unanimously endorsed.

Then follows a correct copy of the amendment which the clerk has read at the desk.

Incidentally I asked the representative of the National Grange, when he brought this to me, whether the Farmers' Union was represented in the meeting, and he said the National Farmers Union was not represented officially; but he gave me the names of the heads of the Farmers Union in some States and said they were there unofficially. We all know that the president of the Farmers Union was suddenly taken away by the hand of death. That organization made no suggestion in the preparation of the amendment, but the fact that, after it was prepared and submitted to them, it met with their entire approval, I think, ought to have great weight with the Members of the Senate in passing on the pending amendment.

The amendment is offered to the committee amendment to the bill. It has nothing to do with some other things, such as, for instance, the amount of the tax. It has nothing to do with the amount that might be provided by another amendment, if the Senator from Mississippi should desire to insert a provision limiting the amount that could come in, or anything of that kind. My amendment is limited to and only has to do with what is contained within its four corners.

Mr. President, I do not believe there is any injustice contained in my amendment. When we shall give the money collected on Philippine products back to the Philippine government, it seems to me we will have compensated them for any wrong that might otherwise have been inflicted. We shall have not taken a penny of the money ourselves, and we shall have protected the American farmer in the only place where, under the law, there is a loophole. The American

farmer cannot get protection unless we do something of this kind.

Mr. HARRISON. Mr. President, Senators will realize that this is one of the knottiest problems that has confronted the Senate for a long time. The House provided a tax of 5 cents a pound on these oils and made no exemption with respect to importations from the Philippines, and, therefore, should the amendment which is offered by the Senator from Nebraska be accepted, and no exemption be made, but the production in the Philippines, as well as the production here, be treated alike, with the exception that the amount collected upon the Philippine products should go back to the Philippine government, there will be nothing in conference as to the question of any exemption to the Philippine Islands.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. NORRIS. Let me call the attention of the Senator to the fact that the amendment says nothing about exemption. The amendment would still be open to amendment if the Senator should desire to provide for an exemption.

Mr. HARRISON. I appreciate that the Senator's amendment does not make any exemption, and that is one of the troubles about the Senate committee recommendation. It provided no exemption.

I can appreciate that farm groups are very strongly in favor of something being done, and they would prefer the amendment of the Senator from Nebraska over the amendment which is offered by me. The same groups favored the House amendment which sought to apply the tax without any exception whatever with respect to the Philippines.

But we must look beyond that, and farther than that. I am just as much interested in the farmer as is any other Senator. There is as much cottonseed oil produced in my State as in any other State in the South, with the possible exception of the State of Texas.

We passed the independence act, and in that act we provided in section 6:

After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law, subject to the following exceptions.

And it states the exceptions, and in those exceptions were 200,000 long tons of coconut oil annually; and I have added to those 200,000 long tons the 5-year average of copra and coconut oil, which have come in from the Philippine Islands.

The President, in his message to the Congress during the present session, in one paragraph stated:

May I emphasize that while we desire to grant complete independence at the earliest proper moment, to effect this result without allowing sufficient time for necessary political and economic adjustments would be a definite injustice to the people of the Philippine Islands themselves, little short of a denial of independence itself. To change at this time the economic provisions of the previous law would reflect discredit on ourselves.

Senators, are we going to send to conference and deal with a subject so delicate in character that it might cause the veto of a great revenue bill? With respect to the amendment I offer, while it is opposed by the War Department because it wants no limitations upon the Philippines, and while it is also opposed by other departments and opposed by the Governor General of the Philippine Islands in a cablegram that has just been received by the War Department, which cablegram I shall ask to have read at the desk in a moment, it seems to me the Philippine people have no cause to complain if we make the exemption therein provided and leave the status quo as to the 5-year average of coconut oil and copra coming from the Philippines.

Mr. President, I am going to leave this question entirely to the Senate. I know there is no Senator here who wants to violate what has been agreed to in the Independence Act. I know the Senator from Nebraska does not want to do that.

The Senator from Nebraska has suggested in his remarks that he does not believe that the amendment he offers violates that agreement. I do not know. I am fearful of it, however. If his amendment is adopted by the Senate and

goes to conference, then what remains for us to do if the President of the United States and all the agencies of the Government, as well as the Philippine people, object to it and say that it affects the present economic standing of the Philippine people? In other words, we will then be laying a tax on something on which we said in the Independence Act we would not lay a tax.

Mr. NORRIS. Mr. President, will the Senator further yield?

Mr. HARRISON. I yield.

Mr. NORRIS. I should like to call to the attention of the Senator from Mississippi that this amendment does not in any way interfere with the Senate's voting for the amendment of the Senator from Mississippi, when my amendment is added to his. All my amendment does is to add a proviso to the committee amendment. After that is done, if it is done, we still will have to vote as between the committee amendment as amended, and the amendment of the Senator from Mississippi.

Mr. HARRISON. Yes. May I say that I think the amendment of the Senator from Nebraska would greatly improve the Senate committee amendment.

Mr. NORRIS. Then let me ask the Senator: Would he not rather have the committee amendment with my amendment added than without it?

Mr. HARRISON. Yes; I just stated I would rather have the amendment of the Senator from Nebraska tacked onto the Senate committee amendment, but I hope after that shall have been done the substitute I shall offer will be adopted, although I am practical enough to realize that when that is done it will probably decrease the number of votes that the substitute might otherwise obtain.

Mr. NORRIS. Mr. President, the Senator still has control of his amendment. I certainly would not object if he offered this same proviso to his own amendment.

Mr. HARRISON. Will the Senator agree to this: Can we not fix it in the alternative in an amendment tacked onto my amendment, and leave it in some way in the discretion of the President to apply either alternative?

Mr. NORRIS. I do not quite understand the Senator's proposal.

Mr. HARRISON. The Senator suggested that his amendment might be added onto my amendment.

Mr. NORRIS. Yes.

Mr. HARRISON. My amendment exempts 520,000,000 pounds per year from taxation. My amendment and the amendment of the Senator from Nebraska are antagonistic to each other. To say in one instance that the tax shall be collected, employed, and returned to the Philippine government, and at the same time to say that the average for 5 years shall be exempted, and to make the two statements in the law will make the provisions antagonistic to each other. What I meant to convey to the Senator was, Could we not put it in the alternative, and give the power to the President to apply either the provisions of the amendment of the Senator from Nebraska or to apply the provisions of the amendment that I have offered here?

Mr. NORRIS. I would not want to agree to that, Mr. President.

Mr. HARRISON. Do I make myself plain?

Mr. NORRIS. I think the Senator has made himself clear. But if he likes my amendment, and he says that it improves the committee amendment, I think he ought to vote for it. After that we will come to the Senator's amendment, and the argument he is making now may well apply then. It may be that the Senate will vote to agree to the Senator's amendment. I do not believe it will.

Mr. HARRISON. I will state to the Senator that I think his amendment would strengthen the committee amendment, although I could not vote for the amendment even though it contained the amendment of the Senator from Nebraska; and if the Senate should adopt the amendment of the Senator from Nebraska, I shall then offer the substitute.

I desire to have read, Mr. President, at this time, a letter that has just come to me from the Secretary of War enclosing a radiogram he has just received from the Governor General of the Philippine Islands, Mr. Murphy.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

RADIOGRAM RECEIVED APRIL 10, 1934, VIA MANILA

SECRETARY OF WAR,
Washington, D.C.

Cox, April 10. No. 152.

Reference your 161. Press dispatches indicate serious attention being given to an amendment exempting from the proposed excise tax 520,000,000 pounds or 232,100 long tons of Philippine coconut oil and/or equivalent Philippine copra. This low exemption would create a distinctly difficult situation in the Philippines due to the fact that we exported to the United States in 1933, 155,019 long tons of oil and 204,713 long tons of copra, which, at the accepted rate of extraction of 65 percent, is equivalent to 133,063 long tons of oil, giving a total in terms of oil of 288,082 long tons. From the foregoing it will be seen that there will be a forced reduction of about 20 percent. I suggest the following be considered by the Secretary of War and by others to whom he wishes to refer the matter: The Philippine government's position is taken in consonance with the Tydings-McDuffie Act, which the Philippine government interprets as containing an implied guaranty that the Philippines will not suffer for the period of the act any greater economic restriction than those therein imposed. In respect to the coconut industry, the Tydings-McDuffie Act is interpreted as guaranteeing the duty-free admission into the United States of 200,000 long tons of Philippine coconut oil and no limitation whatsoever on Philippine copra. The modification of the economic terms of this act by means of excise or other taxes, either directly or indirectly, will be interpreted as an infringement of the implied guaranties and will cause a concussion of economic and political motives which is highly undesirable. I believe that this viewpoint of the situation cannot be too strongly emphasized.

MURPHY.

Mr. HARRISON. Mr. President, I ask unanimous consent to have inserted in the RECORD in this connection a letter which has been transmitted to me this morning by the Secretary of War, from Manuel L. Quezon, commissioner for the Philippines, in opposition to the proposal. I shall not have it read.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

WASHINGTON, D.C., April 3, 1934.

HON. GEORGE H. DERN,
Secretary of War, Washington, D.C.

MY DEAR MR. SECRETARY: It has come to my attention that there is talk of a compromise whereby the excise taxes in section 602 of the 1934 revenue bill would be placed in line, according to the proponents of the idea, with the Tydings-McDuffie bill by allowing the importation into the United States, excise tax free, of 200,000 long tons of coconut oil from the Philippines, 100,000 of which will enter in the form of copra and the other 100,000 tons in the form of oil.

Let me point out that this would be a most serious violation of the terms of the Tydings-McDuffie bill. The Tydings-McDuffie bill provides for the duty-free entry into the United States of 200,000 long tons of coconut oil in the form of oil, and there is no question of a limitation on the amount of copra which can be shipped from the Philippines to the United States. I desire, first, to point out that if there is any such compromise made, the Filipino should be allowed to ship in such oil as he supplies the United States with in the form of coconut oil. In other words, the Philippine mills must be allowed to produce this oil, thereby providing employment for Philippine labor and giving the Filipino the profit and the Philippine government the revenue from taxation, which will accrue from crushing the oil in the islands.

If the bill is so altered that we must ship both copra and oil into the United States, then the amount of business which can be done by our oil mills in the Philippines will be so small that they will not be able to carry on. The total amount of oil which we could ship to the United States under the Tydings-McDuffie bill would be 448,000,000 pounds. If this be cut in half, we could then ship only 224,000,000 pounds of oil, whereas our Philippine mills actually shipped to the United States last year in the form of oil 316,000,000 pounds.

We cannot agree to any limitation of the amount of copra which we can ship from the Philippines. The bill provides no such limitation and it would be suicide for the Philippine copra producers if the amount which they could ship were limited to a quantity necessary to supply 100,000 long tons of oil to the United States in the form of copra.

I cannot too strongly impress upon you that so long as the Filipino is producing more than 200,000 long tons of coconut oil per annum, or more than enough copra to supply this amount of oil, there is no means whereby the price of coconut oil to the Filipino

can be increased to the point whereby he can collect any increase in price of Philippine coconut oil, even if 200,000 tons of Philippine coconut oil were exempted from the excise tax. This would be because the Filipino would be in no position to exact a higher price for his oil from the American buyer than he would from the buyer in other international markets. Before he would be in a position to exact this higher price he would have to cut down sufficient of his trees so that he would be producing only 200,000 long tons of coconut oil per annum, and we cannot do this as the farmers in our copra-producing Provinces have no other means of earning their livelihood.

Last year the Philippines shipped to the United States alone, in the form of coconut oil and oil in the form of copra, 600,000,000 pounds of oil. In addition to this we sold 30 percent of our copra in international markets. It is our surplus above the 200,000 long tons which would set the price of our oil, and on the basis of United States importations alone you can see that for 1933 we had a surplus of 112,000,000 pounds of oil, and to this we would be obliged to add the oil in the copra exported to Europe and other copra-crushing regions.

Very respectfully,

MANUEL L. QUEZON.

Mr. HARRISON. Mr. President, may I ask the Senator from Nebraska, as we are all trying to drive at the same end, and we all agree that this is a difficult question, will he not let his amendment be inserted in paragraph (g) and then allow a vote to be taken on my amendment, and let both proposals go to conference? There will then be that much in conference; it is a very large bill, and some time will be taken to compose the differences.

Mr. BORAH. Mr. President, there are some decided views held by Senators which will prevent an agreement of that kind.

Mr. NORRIS. I will say to the Senator from Idaho that I cannot accept the suggestion, because I am of the opinion—I may be wrong about it—that if the amendment of the Senator from Mississippi shall be offered as a substitute it will be voted down by the Senate. I do not think that even the amendment I have offered would save it.

Mr. BORAH. I think it will be voted down, and I hope so, because it occurs to me that the Senator's amendment is no protection to the American farmer at all. Under it there will be permitted to come into this country the average amount of oil which has come in during the last 5 years, and that is precisely what the farmers are complaining of. If we are not going to remedy that situation, there is no use to try to deceive ourselves or to deceive them.

Mr. HARRISON. Mr. President, if the Senator will permit me, it is quite true that it does permit the average importations for the last 5 years to come in, and, as I have stated, that is because of the agreement we embodied in the independence act; but may I call to the Senator's attention the fact that annually there come coconut oil and copra into the United States in the amount of more than 300,000,000 pounds in excess of the 520,000,000 pounds suggested by the amendment, and that the amendment not only includes that character of oil but includes also other kinds of oil, such as—

Sesame oil, palm oil, palm-kernel oil, perilla oil, sunflower oil, whale oil, fish oil (except cod-liver oil), marine-animal oil, or any combination or mixture containing any such oil.

So, really much benefit will come, even though we make the exception and carry out the spirit of the understanding and we are really not just doing nothing when we adopt the amendment; we are, at least, taxing more than 300,000,000 pounds of coconut oil and copra every year as well as taxing all the other oils mentioned.

Mr. BORAH. Mr. President, I should like to have an opportunity to vote squarely upon the question of whether we are going to comply or not comply with the independence act which we passed a few weeks ago. I think the amendment of the Senator from Mississippi does not permit us to do that, and, therefore, I shall vote against it, with the hope of an opportunity of voting directly upon the question.

Mr. HARRISON. Mr. President, I have said all that I desire to say. I am going to raise no objection to the amendment offered by the Senator from Nebraska to the Senate Committee amendment, because, if adopted, I think it really would strengthen it, but I shall not vote for it finally, as I shall then offer a substitute for the whole provision.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. HARRISON. I yield.

Mr. OVERTON. If this amendment shall be adopted, as suggested by the Senator from Mississippi, the result will be that we will be levying a processing tax on coconut oil except the five-hundred-and-some-odd-million pounds which come from the Philippines?

Mr. HARRISON. That is correct.

Mr. OVERTON. And if the result of levying the processing tax should be to increase the price of oil, then we would be conferring a special and peculiar benefit upon the Philippine Islands, would we not?

Mr. HARRISON. They are now exporting to this country 520,000,000 pounds, as I have heretofore stated. We accepted the independence act, and said we would not affect that shipment into this country.

Mr. OVERTON. But assuming, for the purpose of illustration, that if, as the result of such an amendment as is proposed, the price of coconut oil will be increased by the amount of the tax, 3 cents, then on the five-hundred-and-some-odd-million pounds that are imported from the Philippine Islands into the United States the Philippine producers will get 3 cents additional in price for their product.

Mr. HARRISON. I do not know what price they will obtain on their exports to the amount of 520,000,000 pounds, but if the importations exceed that quantity, of course the tax will be imposed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska to the amendment reported by the committee.

Mr. TYDINGS. Mr. President, I should like to make only a brief statement, as I do not care to prolong the debate. The Senator will recall that a Philippine independence act was once rejected by the Filipino legislature. I take it for granted that every Senator in this body would like to give the Filipinos independence tomorrow morning, if that were the best way to sever their relations with the United States. After the rejection of the first independence act it was very difficult to get the divergent factions in the Philippine Islands to agree to the bill which Congress finally passed. I do not mean to say that if we shall adopt this amendment the Filipinos will again reject the independence act, but I say it is a possibility, they having already rejected an independence act on one occasion.

If we can get independence for the Philippine Islands insofar as their trade relationships are concerned, they will be completely severed, and the American market for sugar and for other commodities will not be shared by the Filipino people. I believe, therefore, if we were to approach this question purely from the standpoint of selfishness, and for no other reason, that it would be better not to jeopardize the acceptance of the independence act but to hasten independence at the earliest possible date.

It is no secret to say that plans are now being formulated, which I believe will meet with the approval of the President, of the Congress, and of the Filipinos themselves, which will permit complete, absolute, and unconditional independence for the Philippine Islands before the end of the present administration. It is because of that objective, which I know the Congress wants to reach over and above every other one, that I plead with the Senate, as the President has pleaded with the Senate, as the Governor General of the Philippines has pleaded with the Senate, that we shall not take any course now which may jeopardize the accomplishment of the complete independence for the Filipinos at the earliest possible date.

To proceed for just a moment on the merits of the amendment of the Senator from Nebraska, let me say, as I have previously stated, that it is equivalent to the passage by Congress of an act to be incorporated in the organic law of the Philippine government compelling them to levy a tax of 3 cents a pound on coconut oil, not for the benefit of the coco-

nut producers but for the benefit of the Filipino treasury. It seems to me that, in essence, we are in the exact position in which England was when we were Thirteen Colonies before the Revolutionary War. We are imposing unjust taxation against the will of the Filipino people when they are a part of the country under our common flag.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. In just a moment I will be glad to yield to the Senator. I know the farmers of the country are a unit for this proposed legislation. No one likes to take the unpopular side of it. It falls to my lot, as Chairman of the Committee on Territories and Insular Affairs, to take the unpopular side; but I say in taking that side that I believe it to be the right side. I do not believe, no matter how much our farmers may be oppressed, that we are justified in committing an act which is not fair to the people who share the common flag which floats over the continental United States. We are simply taxing the coconut growers in the Philippine Islands to help the farmers in our own country. That is what the amendment amounts to. We are putting a tax upon the coconut grower in the Philippines to benefit the farmer in the United States. I cannot believe that is fair. I think the amendment of the Senator from Mississippi, if it could be accepted, would be basically fair. However, as we have debated this question for 2 days, I do not wish to take further time of the Senate, except to say that I hope we will do nothing to jeopardize our agreement with the Filipino people upon which their independence has been predicated.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. OVERTON. Before I ask the Senator the question which I have in mind it will be necessary for me to explain briefly.

Mr. TYDINGS. Very well.

Mr. OVERTON. As I understand the contention made by the Senator from Maryland, it is that by legislative enactment we have offered independence to the Philippine Islands. We know that proposal has not as yet been accepted, but it is an outstanding offer. Whenever it is accepted, then it becomes, as it were, a contract between the United States Government and the Philippine Islands. If it shall be rejected, then it will never go into effect.

Mr. TYDINGS. That is true.

Mr. OVERTON. Of course we would have the legal right, and I assume we would have the moral right, to amend that offer before it is accepted, but that is not the matter about which I am going to ask the Senator from Maryland. The offer that we make provides in section 6 that after the date—not now, but after the date of the inauguration of the commonwealth of the Philippine Islands, trade relations between the United States and the Philippine Islands shall be as now provided by law.

Would it be agreeable to the Senator from Maryland to accept an amendment that would impose a processing tax as suggested by the committee amendment, and then provide that there should be an exemption in the case of the Philippine Islands whenever the Philippine Islands should inaugurate the government suggested in the Philippine Independence Act? In other words, we will have a hiatus. It may be the proposal will never be accepted by the Philippine Islands. Some time is going to elapse before it is accepted or rejected. We could enact such a provision without being in bad faith so far as the Philippine Independence Act is concerned, and let the processing tax apply to the Philippine Islands only until the date of the inauguration of their new government.

Mr. TYDINGS. Insofar as that would contravene the provisions of the Philippine Independence Act, the proposal promulgated by the Senator from Louisiana is a fair one and would in no sense violate the independence act itself. Therefore, if we were to limit the tax until such time as the commonwealth government was established in accordance

with the language of the independence act, in my judgment we would not contravene the provisions of the independence act.

But I may say to the Senator from Louisiana, great as that concession would be, I still think it would be wrong, for the benefit of the American farmers who are raising cattle to tax the Filipino farmers who are growing coconuts. I think it would be equally unfair, for the benefit of the Filipino coconut growers, to tax the American farmers who are raising cattle. We are all together under the American flag and if it is wrong on the one hand, the opposite condition is equally fallacious.

Mr. OVERTON. Mr. President, I think the question presented to the Senate goes further than suggested by the Senator from Maryland [Mr. TYDINGS]. It is a question of maintaining living standards on the part of the American farmer and the American laborer as against the living standards which are maintained in the Philippine Islands and in other oriental possessions and territories and in other oriental countries.

We have been hearing a great deal at this session of the Senate with reference to maintaining certain standards for the American farmer and for the American laborer. Let us take the subject now under consideration by the Senate as an illustration of the point I am undertaking to make. Sometime ago we were receiving good prices for oil products. I understand, though I may be wrong, that oil products were commanding a price of 12 cents a pound f.o.b. shipping point. Certain capitalists who were engaged in the manufacture of soap, oleomargarine, and lard substitutes, looked over the Philippine Islands and discovered that there were not only climatic advantages for the production of oil but that there was an advantage resulting from the fact that the coconut tree simply grows and grows without any particular effort on the part of man; that those trees become productive in a period of about 5 years after being planted, and reach their maximum production in about 10 years, and have a life of from 50 or 60 or even 100 years.

Then they saw they could utilize labor in the Philippine Islands at prices greatly below those which the farm laborer receives in the United States. They found that so far as human labor and human effort are concerned production would be much cheaper in the Philippine Islands than production of oil, both animal and vegetable, in continental United States. Therefore they proceeded to exploit in the Philippine Islands this cheap labor, this underpaid, underfed, and improperly clad laborer, who can go to work with a loin cloth about him and can live with apparent satisfaction to himself in grass huts.

Instead of undertaking to benefit the Philippine laborer, instead of the Filipinos undertaking to benefit themselves by raising their standards of living, instead of capital, which was exploiting the Philippine territory, increasing the wages paid to the Philippine laborers, they have kept their compensation down and down and down while they were increasing production from the Philippine Islands and dumping that tremendous increase into the continental United States to come in competition with the products of the American farmer and the American farm laborer.

Therefore it seems to me that in the last analysis we are confronted with this situation. Are we going to abandon the continental farmer and the continental farm laborer and sacrifice him for the benefit of the Philippine laborer and the Philippine producer, who apparently has made no effort to raise himself to the standards of living that we want everybody under the American flag to enjoy? Are we going to sacrifice the American farmer, or are we going to undertake to maintain those standards of living about which we have been talking so much?

I think that is the fundamental question. It goes beyond any technical objection that may be raised as to the proposal of independence we have made to the Philippine Islands. In order to overcome that objection I suggested to the Senator from Maryland that an amendment be proposed which would make the tax operative until the government in the Philippine Islands had been inaugurated. It appears

that the suggestion is not acceptable to the Senator from Maryland. We therefore have reached the parting of the ways in a conflict between the American farmer and the American laborer and American standards of living, on the one hand, and oriental production and oriental labor and oriental standards of living, on the other hand.

I have due sympathy for the Filipinos. I should like to see them maintain and enjoy the standards of living which we wish the American farmer and the American laborer to enjoy. But those who are today fighting the imposition of this tax are the ones who have not been fair to oriental labor. It is they who have not undertaken to benefit and improve their conditions and raise their standard of living and compensation. When they ask us to continue that situation to the detriment of the American farmer, so far as I am concerned, I am going to cast my vote on the side of the American farmer.

Mr. THOMPSON. Mr. President, I suppose this is one of the most important questions that we have had before us as affecting the majority of the people of the United States, either directly or indirectly. It is the only opportunity we have had to agree upon a policy that would meet the requirements and requests of all the farmers of the United States.

Personally I believe that the bill as it came from the House is the best measure that has been proposed, and that it is stronger and better for all concerned than any amendment that has been offered.

Just what is the condition of the Philippine Islands today? Are they in any different condition now than they were before we ever submitted to them any proposition for their independence? That proposition is neither binding upon us nor binding upon the Philippines until the entire program that we have mapped out for them and for this Nation has been completed. As a matter of law, the Philippine Islands stand now just where they stood before the proposition of independence was offered to them, to this extent: We have provided that they shall assemble in delegate form and adopt a constitution. We have provided that thereafter they shall call an election, and that the constitution they adopt shall be presented to the President of the United States, without any limit as to the time in which it shall be returned to the Philippine government for its acceptance or approval after it has called a meeting of the legislative body to act upon the constitution. Then, after the legislative body has acted, the constitution is to be returned to the President again for his approval.

As I view the situation of the Philippine Islands, nothing will have been finally determined until the entire agreement shall have been accepted and approved.

If the Philippine Islands should adopt a constitution which the President should approve, and then turn it back to the Philippine Islands, and then, if the Philippine Islands should call what we would term a "constitutional convention" and adopt the constitution in the language in which it has been presented to the President, that might possibly create a different status as between the two governments. As I understand the law of contracts, if I should propose such to my friend the Senator from Illinois [Mr. LEWIS], the contract would not be binding on anybody until he accepted its provisions; and I think the same principle applies to a contract of this kind.

In the next place, so far as I was individually concerned, I was opposed to the adoption of the Platt amendment to the Cuban treaty. I was opposed to this Government attempting to control a foreign government. We all know the difficulties that have arisen by reason of the Platt amendment. Cuba has been exploited by our own capital; then our Government has been called into operation, at great expense to protect that capital.

So far as the two candidates for President in the last campaign are concerned, each expressed himself as being emphatically in favor of such a provision as is contained in the bill as it came from the House with regard to the question before us.

I read from the CONGRESSIONAL RECORD an extract from a speech delivered by Mr. SHALLENBERGER on February 14, 1934. He quotes what our candidate for the Presidency said during the last campaign in answer to the farmers' questions, as follows:

Let me make it clear that I have consistently stood for a policy of tariff protection that will insure the domestic market for our American farmer.

That covered every proposition in which the farmer was interested, insofar as his production was concerned.

The opposing candidate, Mr. Hoover, said:

Your oils and fats are suffering entirely unnecessarily from foreign imports of these commodities. The American market should be and must be reserved for the American farmer at all times, whether in emergency or normal times.

That is the position taken and the promise held out to the farmers of this country by the candidates of both parties during the last campaign.

There seems to be a question of delicacy as to deciding as between the rights of the American farmer and our duty to the Philippines. There seems to be a doubt as to just what we should do. In that case, where I had a doubt, I certainly should resolve it in favor of my own country.

We have been generous to the Filipinos. I do not suppose that any government situated as we are has ever been more generous.

It has been remarked here in the course of the argument, to show how they have interpreted our generosity, that in July 1933, 80 percent of all imports into the Philippines were purchased from the United States and 10 percent of all their imports were purchased from Japan. That was the status of the buying and selling in the Philippines at that time.

After the National Recovery Act went into effect in the United States, an increase of all prices of American goods resulted. Therefore in November 1933 the Filipinos purchased only 32 percent of their imports from the United States and increased their purchases from Japan to 56 percent of their total imports.

In January 1933 the Philippines purchased 7,029 pieces of manufactured goods from the United States. In the same month they purchased 1,930 pieces from Japan. In December 1933 after the increases in prices in America because of the N.R.A., the Philippines purchased only about 1,900 pieces from the United States, and purchased 6,250 pieces from Japan, notwithstanding the generosity of this Government extended to them at all times, in which generosity we all agreed, and of which we all approved.

This statement of the trade between the Philippine Islands, the United States, and Japan shows plainly that when it was advantageous for the Philippine people to change their commerce from the United States to the Empire of Japan, they did not hesitate to take advantage of the favorable prices in Japan. In other words, we have sincerely dealt with the Philippines as if they were a part of our Nation, and have granted to them special favors, while during the same time the Philippines have acted as an independent nation, free to do as they please, as to them their best interests indicated.

It must be remembered, further, that this act of the Philippines was not in contemplation of what we were doing, but was absolutely independent of any tax intended by this Government.

It seems to me that in all fairness it should also be suggested that the Philippines as a nation are allowed now, and under this bill, a preferential protection of 2 cents a pound on coconut oil over every other country, for the reason that there is a duty of 2 cents a pound on the coconut oil coming into America from every other country which does not apply to the Philippine Islands, since they are under our protection. Hence, they are losing only 1 percent of this tax, at most.

Thus, even if the bill should be enacted as it has been reported from the committee, the Philippines would still retain an advantage of 2 cents a pound over every other

country. Hence, in all fairness to every other country, as well as to the Philippines, we should not grant the concession asked for by those arguing for the change in the bill as it came from the House.

It seems to me, furthermore, that this concession of 2 cents a pound to the Philippines really contravenes the favored-nation clause in our treaties with other countries, if the Philippines are considered independent.

As to the amendment offered by my colleague [Mr. NORRIS] of the two amendments that have been offered I think it is by far the better; but my opinion is that as the bill came from the House it is about the best measure that we shall get when we conclude our consideration of the subject.

Mr. President, it may not be inappropriate, following discussion which has been had in reference to the agricultural products of the United States, for me to add some additional words as to the real status of the Philippine Islands. While the question has, in a way, been passed over by reason of the bill having been referred to a conference committee, I take it that it is not finally determined as to what the action of the Senate may be.

It is my contention that in the minds and hearts of the American people, as well as in the minds and hearts of the Filipinos themselves, this Government never was in fact the owner of the Philippine Islands, and I think I am warranted in making this statement, notwithstanding the fact that full and complete title to the islands passed to the United States by and through the treaty with Spain. The relationship of this Government as construed by acts and revealed intentions was that of a trustee of the islands rather than as an owner.

Am I not supported in this conclusion by the resolution passed by a majority of the United States Senate at the time, or shortly after the approval, of the treaty, which resolution reads as follows:

Resolved, That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands. (CONGRESSIONAL RECORD, 55th Cong., 3d sess., vol. 32, p. 1847.)

Am I not further strengthened in this conclusion by the treatment given at all times by the Government of this country to the Philippine people—or may I say government of the Philippines? And, further, from the title to the act known as the "Jones Act", approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", which act is found in the United States Statutes at Large, volume 39, page 545, chapter 416, containing as a preliminary the following preamble:

Whereas it was never the intention of the people of the United States in the incipency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

Further, from certain sections of the act which read as follows:

Be it enacted, etc., That the provisions of this act and the name "the Philippines" as used in this act shall apply to and include the Philippine Islands ceded to the United States Government by the treaty of peace concluded between the United States and

Spain on the 11th day of April 1899, the boundaries of which are set forth in article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November 1900.

Sec. 2. That all inhabitants of the Philippine Islands who were Spanish subjects on the 11th day of April 1899 and then resided in said islands, and their children born subsequent thereto, shall be deemed and held to be citizens of the Philippine Islands, except such as shall have elected to preserve their allegiance to the Crown of Spain in accordance with the provisions of the treaty of peace between the United States and Spain signed at Paris December 10, 1898, and except such others as have since become citizens of some other country: *Provided*, That the Philippine Legislature, herein provided for, is hereby authorized to provide by law for the acquisition of Philippine citizenship by those natives of the Philippine Islands who do not come within the foregoing provisions, the natives of the insular possessions of the United States, and such other persons residing in the Philippine Islands who are citizens of the United States or who could become citizens of the United States under the laws of the United States if residing therein.

I now quote from the language embodied in section 10 of the aforesaid act, which reads:

That while this act provides that the Philippine government shall have the authority to enact a tariff law, the trade relations between the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States: *Provided*, That tariff acts or acts amendatory to the tariff of the Philippine Islands shall not become law until they shall receive the approval of the President of the United States, nor shall any act of the Philippine Legislature affecting immigration or the currency or coinage laws of the Philippines become a law until it has been approved by the President of the United States: *Provided further*, That the President shall approve or disapprove any act mentioned in the foregoing proviso within 6 months from and after its enactment and submission for his approval, and if not disapproved within such time it shall become a law the same as if it had been specifically approved.

Then again, I wish to quote section 11 of the same act, which is as follows:

That no export duties shall be levied or collected on exports from the Philippine Islands, but taxes and assessments on property and license fees for franchises and privileges, and internal taxes, direct or indirect, may be imposed for the purposes of the Philippine government and the provincial and municipal governments thereof, respectively, as may be provided and defined by acts of the Philippine Legislature, and, where necessary to anticipate taxes and revenues, bonds and other obligations may be issued by the Philippine government or any provincial or municipal government therein, as may be provided by law and to protect the public credit: *Provided, however*, That the entire indebtedness of the Philippine government created by the authority conferred herein shall not exceed at any one time the sum of \$15,000,000, exclusive of those obligations known as "friar-land bonds", nor that of any Province or municipality a sum in excess of 7 percent of the aggregate tax valuation of its property at any one time.

Thus it is provided in this law for the naturalization of citizens proper of the United States by the Philippine government.

Now as to the effect of the preamble and also as to the effect of the enacting clause, as defined by the Supreme Court of the United States. As to the purpose and scope of the preamble as in this case used, I am citing from *Beard v. Rowan* (34 U.S. 301), wherein it is held:

In construing a statute, the preamble may be resorted to, to aid in the construction of the enacting clause, when ambiguity exists.

Further, in *Price v. Forrest* (173 U.S. 410), we find the following:

The preamble of a statute may be referred to in order to assist in ascertaining the intent and meaning of a statute fairly susceptible of different constructions.

Quoting from *Ware v. Hylton* (3 U.S. 199):

If the preamble of a statute is contradicted by the enacting clause, the latter must prevail, although if the words of the enacting clause or its effect and operation are ambiguous or uncertain, such a construction should be made as not to extend the provisions of the enacting clause beyond the intention of the legislature as clearly expressed in the preamble.

While the resolution of the Senate was not and should not be considered more than expressive of the convictions and understanding of the Senators favoring it, the same cannot be said of the act heretofore quoted from that taken as a whole, is the solemn expression of the entire law-making body of our Government. Each of the parties have so treated it ever since its enactment, and legislated and con-

ducted their respective thought independently and in harmony with its provisions.

Mr. HARRISON. Mr. President, let the question be put on the amendment to the Senate committee amendment offered by the Senator from Nebraska [Mr. NORRIS]. I may say that I have no objection to the adoption of that amendment.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Keyes	Reynolds
Ashurst	Dickinson	La Follette	Robinson, Ark.
Bailey	Dill	Lewis	Robinson, Ind.
Bankhead	Duffy	Logan	Russell
Barkley	Erickson	Loneragan	Schall
Bone	Fess	Long	Sheppard
Borah	Fletcher	McAdoo	Shipstead
Brown	Frazier	McCarran	Smith
Bulkeley	George	McGill	Steiwer
Bulow	Gibson	McKellar	Stephens
Byrd	Glass	McNary	Thomas, Okla.
Byrnes	Goldsbrough	Murphy	Thomas, Utah
Capper	Gore	Neely	Thompson
Caraway	Harrison	Norbeck	Townsend
Carey	Hastings	Norris	Tydings
Clark	Hatch	Nye	Vandenberg
Connally	Hatfield	O'Mahoney	Van Nuys
Coolidge	Hayden	Overton	Wagner
Copeland	Hebert	Patterson	Walcott
Couzens	Johnson	Pope	Walsh
Cutting	Kean	Reed	

Mr. LEWIS. I wish to announce the absence of my colleague [Mr. DIETRICH], caused by important litigation in the State of Illinois.

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. OVERTON. Mr. President, I desire to offer a perfecting amendment to the amendment of the Senator from Mississippi.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska [Mr. NORRIS] has not yet been agreed to, and that is a perfecting amendment.

The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. NORRIS. Mr. President, if I may have the attention of the Senator from Mississippi, my amendment now being out of the way, I wonder whether the Senator would not agree to another amendment made necessary by the amendment which has just been agreed to, on page 217, subparagraph (g).

Mr. HARRISON. It is quite true that an amendment will be necessary there.

Mr. NORRIS. The House text reads:

All collections under this section shall, notwithstanding any other provisions of law, be covered into the general fund of the Treasury of the United States.

I suggest that after the word "section" there be added the words "except as provided in subsection (a)."

Mr. HARRISON. I think that exception ought to be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska to the House text.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I ask that my amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the amendment of the committee, as amended, on page 214, at the end of the paragraph (a), it is proposed to insert the following:

Provided further, That the tax imposed by this subsection shall be levied on coconut oil and coconut oil produced from copra

brought into the United States from the Philippine Islands and of Philippine origin only until the date of the inauguration of the government of the Commonwealth of the Philippine Islands, in accordance with the provisions of the act of March 24, 1934.

Mr. OVERTON. Mr. President, I offer this amendment because it seems to meet, so far as the Philippine Islands are concerned, a cardinal objection made to the coconut-oil tax. It meets the objection that the amendment as now framed would be in contravention of the offer of independence made to the Philippine Islands.

Mr. LONG. Mr. President, I hope my colleague will not press the amendment. It would virtually defeat the purpose of the amendment we have adopted. The amendment as it came from the committee has already been considerably mellowed. We have agreed to take the money and give it back to the Philippine government, and that agreement having been reached, I think the adoption of the pending amendment to the amendment would be very much to our disadvantage. I hope my colleague will not press it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. VANDENBERG. Disagreeing with the Senator's colleague, I think his amendment is very much in point and in place. In his colloquy with the Senator from Maryland a short time ago, the Senator from Maryland frankly conceded that with an amendment of this character in the bill, we would be living up to the letter of the Independence Act. While I do not mean to indicate that he favored the amendment, he did state—and I want to be corrected if I am wrong—that the amendment now submitted would bring the situation squarely within the letter of the law. Is not that the Senator's understanding?

Mr. OVERTON. That is correct. While he did not indicate that he would accept the amendment, yet he did indicate that it would remove the objection which had been raised that we were acting in bad faith.

Mr. VANDENBERG. Precisely, and it seems to me that, by the adoption of this amendment, we would be putting specific emphasis upon the importance of affirmative action in the islands upon the Independence Act.

Mr. NORRIS. Mr. President, I should like to say that I can see no possible harm this amendment could do. Those who favor it think it rather a reaffirmation of the declaration heretofore made. There can certainly be no objection to it.

Mr. BORAH. Mr. President, I admit there is no objection to it in the fact that it would not accomplish anything, but it would not change the situation in the slightest.

Mr. OVERTON. Mr. President, it seems to me that, with the adoption of this amendment, it would not be necessary to adopt the amendment suggested by the Senator from Mississippi.

Mr. CONNALLY. Mr. President, the Senator's amendment provides for the imposition of the tax until the Filipinos shall have independence. That is where the objection comes. Nobody objects to putting the tax on after they have entire independence.

Mr. OVERTON. Mr. President, I think the Senator is in error about that. It would impose the tax until they have inaugurated their government, not until after they have gotten complete independence. Our proposal with reference to trade relations is to begin to take effect after the Philippine government has been inaugurated, and before the Filipinos have received absolute independence.

Mr. CONNALLY. Under the Senator's amendment the tax would go into effect now.

Mr. OVERTON. Yes, it would go into effect now. It will be in effect until the preliminary steps provided by the act requiring the Philippine Islands to inaugurate a government had been taken.

Mr. CONNALLY. Let me read the Senator's amendment to him and see if it says that. It reads:

That the tax imposed by this subsection shall be levied on coconut oil and coconut oil produced from copra brought into the United States from the Philippine Islands and of Philippine

origin only until the date of the inauguration of the Government of the Commonwealth of the Philippine Islands, in accordance with the provisions of the act of March 24, 1934.

In other words, he would put the tax on now and take it off as soon as they inaugurated their government.

Mr. OVERTON. That is correct.

Mr. CONNALLY. That is what I said.

Mr. OVERTON. It would go off automatically when they inaugurated their government.

Mr. TYDINGS. Mr. President, I think there is a misapprehension.

Mr. COPELAND. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COPELAND. Will not the Chair inform us what is before the Senate?

The PRESIDING OFFICER. The question is on the perfecting amendment offered by the junior Senator from Louisiana [Mr. OVERTON].

Mr. COPELAND. May it not be stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, as amended, on page 214, at the end of paragraph (a), it is proposed to insert the following:

Provided further, That the tax imposed by this subsection shall be levied on coconut oil and coconut oil produced from copra brought into the United States from the Philippine Islands and of Philippine origin only until the date of the inauguration of the Government of the Commonwealth of the Philippine Islands, in accordance with the provisions of the act of March 24, 1934.

Mr. LONG. Mr. President, evidently we do not understand what we have done, or I do not understand what this amendment proposes. We have tried to impose a tax on coconut oil coming into the United States in competition with our domestic oil.

The Senator from Nebraska [Mr. NORRIS] offered an amendment which really I did not favor, and many of us did not favor, but we thought we would yield that much and give the money back to the Philippine people after we assessed the tax. Now we have before us an amendment which provides that we will put the tax on now, and that if they will go through the steps necessary under the Philippine Act to inaugurate their government it will go off and stay off for 12 or 15 years. In other words, we might just as well not make this gesture at all if we are going to provide that we will put on the tax whenever we pass this bill, and then, when the cotton crop and the vegetable crop and other crops come in along in the fall of the year, if the preliminary gesture has been made of setting up the Philippine government, the tax goes off.

We have done a whole lot of fighting here for nothing. I do not blame my friend from Maryland [Mr. TYDINGS] for smiling. He has maneuvered us right into his camp. I compliment the Senator. Now we have a provision under which the entire tax may be wiped out when October comes. That is just what might be put into the bill. I hope the Senator from Texas [Mr. CONNALLY] does not want his whole work undone by his distinguished colleague.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to his colleague?

Mr. LONG. I yield.

Mr. OVERTON. At what time does the Senator think the new government will be inaugurated in the Philippine Islands?

Mr. LONG. They will go right over there and inaugurate it now.

Mr. OVERTON. When we had the Philippine independence bill under discussion in the Senate, I understood that my colleague took the position that it would be some 2 or 3 years before the new government there would be inaugurated.

Mr. LONG. I did then, but if this amendment is adopted now they will go over and inaugurate the government this fall. They will have a reason to inaugurate it this fall. They will set up a little inaugurative machinery there which does not mean independence. They will still have 12 or 15 years to go, or whatever the time may be.

I say, Mr. President, that we are maneuvering ourselves right into the camp of the Senator from Maryland. We might as well have had him write the bill yesterday, instead of writing it today. I hope my friend from Texas will let it be known that he is not wiping out the benefits of our amendment.

Mr. CONNALLY. Mr. President, the Senator from Texas indicated awhile ago that he thought the amendment of the Senator's colleague ought to be adopted. I thought the two Senators from Louisiana would neutralize each other, and we might get it through.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Louisiana [Mr. OVERTON] to the amendment of the committee as amended.

The amendment to the amendment was rejected.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 214, line 6, after the words "fish oil" and the comma, it is proposed to insert the words "perilla oil."

Mr. HARRISON. That, may I say to the Senator from Minnesota, ought to be included in the Senate committee amendment; and in the substitute I have offered I included perilla oil.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Mississippi [Mr. HARRISON].

Mr. COPELAND. Mr. President, I am sure I can read the English language, but I desire to have the assurance of the Senator from Mississippi that this amendment, as now formulated, exempts cod-liver oil for all purposes.

Mr. HARRISON. No, Mr. President; the Senate committee amendment does not exempt it. The amendment I have offered as a substitute for the Senate committee amendment does exempt cod-liver oil.

Mr. COPELAND. That is exactly what I meant. I was referring to the substitute offered by the Senator; and he assures me that it does exempt cod-liver oil for all purposes.

Mr. HARRISON. Yes; it does exempt cod-liver oil for all purposes.

Mr. COPELAND. For medicinal and all other purposes?

Mr. HARRISON. Yes.

Mr. REED. Mr. President, for the purpose of perfecting the committee amendment, I move to strike out on page 214, in lines 5 and 6, the words "or imported fish oil."

In the first place, the use of the word "imported" is a violation of a good many of our treaties, such as our treaty with Germany, which provides that their products shall not be subject to any different internal taxes than the products of American citizens.

That is not the important objection, however. Cod-liver oil and cod oil are not produced in the United States. The importations of all other fish oils are negligible in amount. In 1933 we imported slightly more than five and one half million gallons of cod-liver and cod oil, which I think everybody agrees should not be subject to this tax, because there is no domestic oil which is capable of being used as a substitute. Cod-liver oil used medicinally and cod-liver oil used in poultry feed have no substitute that I can find in this country.

As against that five and one half million gallons that came in last year, only 217,000 gallons of all the other kinds of fish oil were included; and many of those oils are not replaceable here. For instance, in the manufacture of enamels and protective coverings, fish oil must be used, and there is no vegetable or animal oil that can be used as a substitute.

I am just as zealous as any Senator can be to protect the dairymen and the butchers of this country; but fish oils do

not compete in any sense with dairy products or with agricultural products in the United States.

Mr. FLETCHER. Mr. President, what revenue would be raised if we should tax these oils?

Mr. REED. I believe that if we should exempt cod-liver oil, which everybody seems agreed on doing, the tax on all the other fish oils would yield us a total of something like \$30,000 a year.

Mr. LEWIS. What are the other fish oils used for?

Mr. REED. My informant does not tell me; but I have been told, aside from that, that they are used in making protective coverings, such as enamels. I do not know how the process is worked out, but the provision covers products of that type.

Mr. LEWIS. I apologize to the Senator for interrupting him. Will the Senator further yield?

Mr. REED. I yield.

Mr. LEWIS. Do I gather that it may be correctly said that these fish oils do not compete with the products of the packers, and they do not compete with the products of the dairy industry?

Mr. REED. Not at all. There is no possible competition. I have not studied the application of this 200,000 gallons with the care that I should have. I was principally concerned with cod-liver oil, which comes in in such great quantities, and is used by farmers and by physicians. I hope the Senator will agree with what I have said.

Mr. CONNALLY. Mr. President, does the Senator propose to exempt all the fish oils?

Mr. REED. Yes.

Mr. CONNALLY. The Senator was in the Finance Committee, and saw the representatives of the fish-oil interests who were there; and there was a very considerable demand that fish oils be excluded because they are competitive oils. I am not speaking of cod-liver oil.

Mr. REED. Mr. President, the present importation of fish oils other than cod-liver oil is only 200,000 gallons a year.

Mr. CONNALLY. It does not make any difference what the imports are. I am not interested personally on behalf of my State with respect to fish oils; but Delaware and Virginia and Maryland and Connecticut had representatives at the hearings before the committee, and they insisted that fish oils be included in this tax.

The Senator talks about what fish oil is used for. Let me say to him that all these oils are used for some useful purpose, or they would not be bought, and, of course, they would not be brought into this country. That is the case with all of them. If we are going to exempt an oil simply because it is used in the manufacture of chicken-feed, or something else, we might as well exempt them all. People do not pay out money and do not bring in things unless they need them and use them for some useful purpose.

Mr. REED. Does the Senator disagree with the proposal to exclude cod-liver oil?

Mr. CONNALLY. We have already done that, as I understand.

Mr. REED. No.

Mr. HARRISON. That should be excluded from the Senate amendment. It should be excluded from my proposed substitute. The Senator is correct, however, in saying that the representatives from the section of the country indicated by him were just as strong as those from Texas in their advocacy of a tax on fish oil.

Mr. CONNALLY. Yes; every State that had a minnow was represented there, and was anxious to have imported fish oils taxed.

Mr. DILL. Mr. President, will the Senator yield?

Mr. REED. I will yield in a moment. I think we can agree that cod-liver oil and cod oil ought to come out.

Mr. CONNALLY. I do not think I can agree to it. I assume it will be done, but I do not say it ought to be done.

We speak of the cost. We pay a dollar for a little bottle of cod-liver oil, and if we put a tax of one tenth of a cent on it, it is said that that tax is going to ruin the industry. More money is paid for cod-liver-oil products than any other

kind of oil I know. A good deal is said about its being for sick folk. Well, others need these oils just as well as do sick folk.

Criticism is made of the entire oil tariff. It is said that we must not tax any of these oils because hospitals use soap. Of course they do; but when we develop the case we find out that the soap which the hospitals use is made altogether from linseed oil, and is not affected at all by this particular tax on oil.

I do not see any reason for excluding cod-liver oil, for that matter, because it is just an oil, and it is used for a useful purpose, just as are all these other oils; and if we keep chiseling away and taking off this oil and the other oil, we will not have anything left. If the Senator from Pennsylvania will consult his constituents, he will find that many of them are interested in not excluding these oils.

Mr. REED. I have talked to my constituents about it. I am just as anxious as is the Senator from Texas to help the farmer, and the farmers of my State have not been getting any help.

Mr. CONNALLY. The Senator ought to have been more active on the floor.

Mr. REED. I have been active all right, but I have had no support from Senators from other sections.

Mr. DILL. Mr. President, will the Senator yield?

Mr. REED. Yes.

Mr. DILL. I want to say to the Senator that not only in the States mentioned by the Senator from Texas but in the Puget Sound region and in Alaska the fish-oil industry is a growing one. Recent developments, according to the Bureau of Fisheries, have shown that tremendous amounts of waste from salmon and halibut can be made into oils that are practically as good as is cod-liver oil, to say nothing of other oils. Like the Senator from Texas, I do not see why we should pick out certain oils and exclude other oils. I think they all ought to be included.

Mr. FLETCHER. Mr. President, will the Senator from Pennsylvania let me call his attention to an industry that exists in Florida which is known as the "menhaden industry"? Representatives of that industry appeared before the Finance Committee. I think the industry is now of considerable importance, but those engaged in catching the fish and pressing the oil are receiving wages so small that they can scarcely live upon them. The oil itself is selling from about 7 to 8 cents, or something like that, and they feel that they are entitled to some consideration. Perhaps the Senator is familiar with the operation of the menhaden industry.

Mr. REED. Mr. President, the biggest single use of cod-liver oil in the United States is as an ingredient in the manufacture of feed for chickens. The costs to the farmer are being added to, when there is imposed a tax on cod-liver oil. Such oil has got to be used; there is no substitute for it that can be used in the manufacture of chicken feed. If Senators are as anxious to help the dairy farmers and the poultry raisers as many of them have said, I think they will all agree that this tax ought not to be put on cod-liver oil or cod oil.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. REED. I yield.

Mr. COPELAND. Is the Senator familiar with the substitute proposed by the Senator from Mississippi?

Mr. REED. Yes.

Mr. COPELAND. Cod-liver oil is exempted under that proposed substitute.

Mr. REED. Yes; and it ought also to be exempted from the committee amendment.

Mr. COPELAND. I agree with the Senator's statement about fish oil. If I had my way about it, I would wipe out the whole paragraph regarding these oils; but frankness to my own constituents makes me say that there is a lot of fish oil produced in this country which is used for various purposes, and so, if we are going to give one oil protection, the other oils ought also to be protected; I think frankness also

compels me to say, however, that I should like to have them all excluded from the bill because of the increase in the price of soap which will follow.

Mr. REED. Mr. President, it is perfectly evident that the sentiment of the Senate is opposed to exempting any of these oils except cod-liver oil. So I will ask to modify my amendment to read as follows:

On page 214, line 6, after the words "fish oil", insert "(excepting cod and cod-liver oil)."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania, as modified, to the amendment reported by the committee, as amended.

The amendment as modified to the amendment of the committee as amended was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Mississippi in the nature of a substitute for the amendment reported by the committee, as amended. The amendment will be stated.

The CHIEF CLERK. On page 214 it is proposed to strike out lines 3 to 15, inclusive, and to insert in lieu thereof the following:

(a) There is hereby imposed upon the first domestic processing of coconut oil, sesame oil, palm oil, palm-kernel oil, perilla oil, sunflower oil, whale oil, fish oil (except cod-liver oil), or marine-animal oil, or any combination or mixture containing any such oil if there has been with respect to such oil no previous first domestic processing within the meaning of this subsection, a tax of 3 cents per pound of such oil, which tax shall be paid by the processor. Under regulations prescribed by the Commissioner, with the approval of the Secretary, the tax provided in this subsection shall not apply to the processing (1) of coconut oil brought into the continental United States from the Philippines on or before the date of the enactment of this act or produced from copra brought into the continental United States from the Philippines on or before such date, or (2) of 520,000,000 pounds of coconut oil of Philippine origin which is brought into the continental United States from the Philippines as coconut oil, or which is the product of copra of Philippine origin brought into the continental United States from the Philippines, during each period of 12 months after the date of the enactment of this act, but not more than 324,000,000 pounds thereof shall be brought into the continental United States in the form of coconut oil, or (3) of the following articles if the product of American fisheries or if produced in the United States: Fish oil, whale oil, and marine-animal oil, or (4) of palm oil used in the manufacture of tin plate. For the purposes of this section, the term "first domestic processing" means the first use in the United States, in the manufacture or production of an article intended for sale or intended for further manufacture, of the article with respect to which the tax is imposed. For the purposes of the exemption granted by this subsection, the amount of coconut oil producible from copra shall be regarded as 63 percent by weight.

Mr. BORAH. On that amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. CUTTING (when his name was called). I have a pair for the day with the Senator from Florida [Mr. TRAMMELL]. Not knowing how he would vote on this question, I withhold my vote.

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McADOO]. As he is not present, not knowing how he would vote, I am obliged to withhold my vote.

The roll call was concluded.

Mr. LEWIS. I beg to announce that my colleague [Mr. DIETERICH], who is necessarily detained from the Senate, if present and voting, would vote "nay" on this amendment.

I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I desire further to announce that the Senator from Alabama [Mr. BLACK], the Senator from Tennessee [Mr. BACHMAN], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the Senator from Utah [Mr. KING], the Senator from California [Mr. McADOO], the junior Senator from Nevada [Mr. McCARRAN], the senior Senator from Nevada [Mr. PITTMAN], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

Mr. HEBERT. I wish to announce the general pair of the Senator from New Jersey [Mr. BARBOUR] with the Senator from Utah [Mr. KING]. Both Senators are absent on official business.

I also wish to announce the general pair of my colleague the senior Senator from Rhode Island [Mr. METCALF] with the junior Senator from Arkansas [Mrs. CARAWAY]. If present, the senior Senator from Rhode Island would vote "nay." I am not advised as to how the junior Senator from Arkansas would vote.

I also announce the general pair of the Senator from Maine [Mr. HALE] with the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 15, nays 59, as follows:

YEAS—15			
Bankhead	Couzens	Loneragan	Van Nuys
Barkley	Harrison	Robinson, Ark.	Wagner
Coolidge	Hayden	Stetson	Walsh
Copeland	Logan	Stephens	
NAYS—59			
Adams	Dickinson	Keyes	Reed
Ashurst	Dill	La Follette	Reynolds
Bailey	Erickson	Lewis	Robinson, Ind.
Bone	Fess	Long	Russell
Borah	Fletcher	McGill	Schall
Brown	Frazier	McKellar	Sheppard
Bulkley	George	McNary	Shipstead
Bulow	Gibson	Murphy	Smith
Byrd	Glass	Neely	Thomas, Okla.
Byrnes	Goldsborough	Norris	Thomas, Utah
Capper	Hastings	Nye	Thompson
Carey	Hatch	O'Mahoney	Townsend
Clark	Hatfield	Overton	Tydings
Connally	Hebert	Patterson	Vandenberg
Davis	Johnson	Pope	
NOT VOTING—22			
Austin	Cutting	King	Trammell
Bachman	Dieterich	McAdoo	Walcott
Barbour	Duffy	McCarran	Wheeler
Black	Gore	Metcalf	White
Caraway	Hale	Norbeck	
Costigan	Kean	Pittman	

So Mr. HARRISON's amendment in the nature of a substitute for the committee amendment, as amended, was rejected.

The VICE PRESIDENT. The question now is on the amendment reported by the committee, as amended.

Mr. BORAH. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STEIWER. Mr. President, I will detain the Senate for a very short time. I appreciate as well as anyone how futile it would be to make argument against the pending provision with the expectation of influencing the attitude of Senators, but because I expect to vote against the amendment I want to ask the indulgence of my colleagues that I may state some of the reasons which prompt my vote.

In disposing of the argument that the bill will do injury to our relations with the Philippine Islands and operate unfairly against the Philippine people, it has been urged by the proponents of the amendment that the Philippines will not be injured because they enjoy a preferential status, and that because they enjoy a preferential status they will be able to ship the Filipino products to this country just as they have done in the past and are doing at this time. That argument is based upon the idea that the Philippines have a 2-cent per pound differential in tariff upon coconut oil. That, of course, is true; but the argument itself is not true, and the conclusion drawn is not a valid conclusion for a number of reasons. I want to indicate two or three of those reasons.

In the first place, under the Tariff Act of 1930 the duty upon importations of tallow into this country is one half of 1 cent per pound. The proposed amendment does not include tallow, which is a major competitive fat. The inevitable result is that if the pending amendment raises the domestic prices of fats and oils there will be a great influx of foreign tallows immediately the new price level becomes effective. I am told that in foreign countries there are enormous surpluses of various kinds of fats, surpluses awaiting opportunity to come into the American market. The duty which presently exists is sufficient to exclude those

fats at this time, but if the pending amendment results in raising the level of domestic prices, that duty will no longer be adequate.

Another reason is the amendment provides no tax on the product of the renderers of domestic fats and greases. It is a fact, as exhibited by Federal reports, that the second-hand fats produced by the domestic renderer—that is to say, fats taken out of the scrap boxes of the butcher shops and the garbage cans of hotels—are greater than the production of fats of the great packing houses of the country. To me, it is as plain as anything in the world that the 3-cent tax will exclude from this country a large volume of oils for the benefit of those who gather their material from the garbage cans and those who import untaxed or low-taxed foreign oils and greases.

There is yet a more substantial reason why the argument offered is not valid. Although there is a tax of 2 cents per pound upon coconut oil under the Tariff Act of 1930, copra is on the free list. This important fact has been overlooked by those sponsoring the tax in all the debates on this amendment. It has been assumed the Philippines would remain in their preferential position, and they would still retain that 2 cents' advantage. They will as to coconut oil, but they will not as to copra. Something like 43 percent of all the oil importations from the Philippine Islands comes in the form of copra and not in the form of oil.

It is also true that in our importation of coconut products from areas other than the Philippines, a great part of the importation comes in the form of copra and not in the form of oil. What is the inevitable result? It is simply that the importer will cease to import in the form of oil. He will import copra, and as to copra the Philippines enjoy absolutely no preference against competing foreign countries. We will obtain our copra supplies from Ceylon, Netherland East Indies, British Malaya, and other tropical countries where coconuts are grown. We will patronize foreigners and get our supplies from the possessions and territories of the British Empire and various other sources, but not from the Philippine Islands.

So I contend that the argument here advanced, that this tax will not do injury to the Philippine Islands and to our trade with these islands, is a wholly untenable and unsound argument.

Our trade with the Philippines is an established and developed trade carried largely, if not almost entirely, in American bottoms. Shipping services in which the Government itself is interested are dependent upon that trade. It is a fairly flourishing trade now in spite of hard times. It is said that 28 percent of all cargoes that come into the Columbia River ports consist of copra. If, as I believe, the imposition of this tax will destroy or greatly reduce that business, not only will the shipping services suffer, not only will the crushers of copra and the producers of oil in this country suffer, but every one else connected directly or indirectly with that trade is going to suffer from the loss that inevitably will result from this tax.

I am told that one crushing concern in California pays to the Southern Pacific Railroad in freight each year something like \$1,000,000. This important Philippine trade is beneficial alike to shipping companies and to railroads and to American crushers and to all others interested, is in jeopardy under this amendment, because this importation will largely cease, and just as sure as anything in the world other fats will be substituted in substantial amounts for the fats taxed by this amendment.

We ought to bear in mind when we cast our votes that we are visiting this injury not only upon the Filipinos, but also upon very many Americans. If it is true that this tax will raise the price level of these oils and fats in the American domestic market then it is also true the American consumer is going to pay the tax. The assumption has been made at times during the debate that the Filipino producer is the loser, and that there is some relationship between the Philippine Government and the Philippine producer that might justify paying the proceeds of this tax to the Philippine government. The Philippine producer is a

loser, but the American consumer will pay the tax and the money that is wrung from him to the extent of possibly twenty or thirty million dollars per year will be turned over to a government which has not earned it, and which has not done anything to justify the receipt by that government of this great sum of money.

The Filipino producers no doubt will be injured, just as the shippers and all others will be injured. The American people will pay the bill; and all for what?

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Missouri?

Mr. STEIWER. Yes; I yield.

Mr. CLARK. I should be interested to find out where the Senator gets his estimate that there will be forty or fifty million dollars, or any other sum, turned over to the Filipino government.

This tax is intended on its face to be a prohibitive tax. It is not intended to raise revenue. It is not included in this bill for the purpose of raising revenue. It is for the purpose of establishing an embargo; and, as the testimony before the Finance Committee showed, as a result of the imposition of this tax, outside of a very small amount of coconut oil which is necessary to be imported into the United States, despite any tax, for the manufacture of lauric acid, I do not think there will be any coconut oil at all coming into the United States.

Mr. STEIWER. I shall answer the Senator's question in just a few brief sentences, because I desire to conclude; and except for courtesy which I owe to the able Senator from Missouri, I should not answer it at all.

I realize there are two schools of thought on this subject. I know that among some of the chemists of the country and among those who are supposed to be experts upon this subject there is, and has been for a very long time, a question of the extent to which these oils are interchangeable. If the various oils—the fish oils, the marine-animal oils, the animal fats, and these vegetable oils—are largely interchangeable in industrial uses, then, of course, the Senator would be correct; and when we put the 3-cent tax upon coconut oil, some other oil would be used in its place. If, as contended by the other school of thought, the oils are only slightly interchangeable, then, of course, the Senator's suggestion would not be correct.

I do not want to be drawn too deeply into that subject at this time, because I desire to conclude; but I have been told that the Treasury Department has estimated a tax of something like \$22,000,000 under the amendment as reported by the Senate Finance Committee.

I do not know what the assumptions are upon which that estimate is predicated; but certainly the Treasury Department must have assumed, from information before it, that a very considerable quantity of this taxed material actually would be used in American industrial production.

Now, Mr. President, I desire to ask just one question in conclusion. I ask what is the justification for voting this tax upon the American people?

It has been said here, over and over again, that this is a question of great complexity; and with that statement I agree. It is admitted that it presents difficulties, and with that I agree. For what purpose are we to encounter all these difficulties, to submit ourselves to all the hazards that admittedly are involved in this kind of legislation?

It is claimed that the tax will benefit the great dairy and livestock interests in America. If I were convinced that it would benefit these interests to the substantial extent which the proponents of this measure assume, I believe, I should vote for the amendment, regardless of the evil that it will bring to all others concerned; but what proof have we that there will be any substantial benefit to these great industries?

We know that there is a great lobby here that says so. We know who these gentlemen are. They are lobbyists well known at the National Capital, some of whom have been representing the dairy and livestock associations for a long time. Some of them have been representing the so-

called "rendering industry" for a long time. Some represent both. I do not criticize their support of this amendment, nor do I admit their judgment to be infallible. We know that these gentlemen assert that this proposed tax will be very beneficial; but it is obvious that if this amendment permits the importation, in substantial quantities, of foreign tallow under a tariff duty of one-half of 1 cent per pound, if this amendment greatly increases the production of garbage grease by local rendering plants, the garbage and scrap renderers, if it brings to any substantial degree the fulfillment of any one of these propositions, American agriculture cannot enjoy any substantial benefit from the tax. On the contrary, agriculture will help pay the tax. All our citizens will help pay for the higher-priced industrial products which this tax will bring about; and not only that, but American agriculture is going to lose a market which it presently enjoys. I refer to the Philippine market now largely ours. Our exports to these islands in 1932 amounted to approximately \$45,000,000. The peak in 1929 was over \$85,000,000.

We know something of the detailed items which make up these totals. I shall not go over them now. We know that the Philippine trade has been and is a valuable trade. I do want to call attention to one fact in this connection, and that is that in dairy products alone we have been enjoying a Filipino trade which in some years has exceeded \$3,000,000. This tax will take away from the Filipinos their buying power. It will destroy their business and their relationship with us. We will lose the island people as substantial customers for our products. We will take from the dairy industry itself one of its markets for dairy products. We sell to the Filipinos every year something like three or four million dollars of wheat and wheat products. We sell to them very substantial amounts of cotton and cotton products. This tax will take those markets from our farmers by depriving the Filipinos of the power with which to buy.

It seems to me that in so dubious an experiment, where there is so little certainty as to the good which may result, where there is a certain knowledge that the American consumer will pay the bill, yet where we know that the tax will injure all the western and many other railroads and all the shipping companies serving the Orient, where we know that we will injure or destroy our crushing industry, that we will raise the price to the American consumer, that we will lose important markets for the sale of American farm products and will at the same time violate our solemn obligation to the Philippine Islands and to the people of those islands, we ought to pause and take heed.

Others may vote for this amendment if they wish. For my part, I would rather subject myself to uninformed criticism for apparently standing in the road of relief for American agriculture and cast my vote in a way which I believe I can defend in the days and years to come.

If I could have my way I would strike this taxing provision from the bill, and then by an orderly and appropriate procedure I would endeavor to provide a well-considered and comprehensive tax which would cover all oils and fats competitive with the products of American farmers, and I would give due heed to our moral obligation to the Philippine Islands. Firm adherence to a program of this kind would result in definite benefits to the agricultural groups who are hard hit by the depression, and these benefits would be unmixed with evil. The enactment of the pending amendment will not discharge our obligation to the dairymen and stock raisers of America. That obligation will not be discharged until there is evolved a proposal which will be effective and sound and which above everything else will be just to all.

Mr. COPELAND. Mr. President, in my opinion the Senator from Oregon [Mr. STEWART] has made a very significant speech. Unless I miss my guess the criticism Senators received for voting to pass the veterans' legislation over the veto of the President will be nothing compared to the criticism that will follow our act of today. We are sure to hear from it when the housewives of America, not alone in the city homes but in the farm homes, come to find the

price of soap practically doubled, as it will be when this bill goes into effect.

I appreciate the fine scorn with which the Senator from Oregon refers to the spirit of the Senate which voted to free the Filipinos and, having done that, proceeds to stab them through the heart by the enactment of this bill. I congratulate the Senator from Oregon upon having spoken as he has.

I had intended to offer an amendment to exempt from the operation of the tax the fats which are brought in for the purpose of making inedible products. It is useless to do that, however, because the reception given the substitute of the Senator from Mississippi [Mr. HARRISON] indicates to me that there are not enough votes here to make it worth while to make the effort. I desire, however, to call attention to the fact that it is not alone the use of coconut oil that will bring us under criticism. The palm oil and whale oil and fish oils, which are used with the rosins from the Southern States, will be taxed likewise, and so increase the price of all soaps. By reason of the tax it will be impossible for the American product to compete with foreign soaps.

If we had a tariff upon soaps sufficient to exclude the foreign product, American manufacturers might perhaps consider this tax with some degree of complacency. But I assure Senators that as a result of what we are proposing to do if we shall vote this 3-cent tax on foreign oils, we shall promote unemployment and practically double the price of soap used in every city home and every farmhouse and every hospital and every other place where cleanliness abounds.

I simply wanted to say this much in order that I might be on record regarding my attitude toward this matter. I desire, also, to make clear to my friends in the various industries involved that I feel it is utterly useless to make any further effort. I shall content myself with a vote against this amendment to the tax bill and let it go at that; but I know the housewives of America will voice their protest when they know what burdens have been put upon them by the passage of this bill.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the amendment of the committee, as amended. On that question the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CUTTING (when his name was called). I have a pair for the day with the Senator from Florida [Mr. TRAMMELL]. Not knowing how he would vote on this question, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. WOLCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McADOO], who is absent. Not knowing how he would vote, I am compelled to withhold my vote.

The roll call was concluded.

Mr. LEWIS. My colleague the junior Senator from Illinois [Mr. DIETERICH] has authorized me to say that if present he would vote "yea" on this question.

Mrs. CARAWAY. On this vote I have a pair with the Senator from Rhode Island [Mr. METCALF]. Not knowing how he would vote, I withhold my vote.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Maine [Mr. HALE] with the Senator from Montana [Mr. WHEELER]; and

The Senator from New Jersey [Mr. BARBOUR] with the Senator from Utah [Mr. KING].

Mr. LEWIS. I desire to announce that the Senator from Alabama [Mr. BLACK] has a general pair with the Senator from Vermont [Mr. AUSTIN], and that the Senator from Nevada [Mr. PITTMAN] has a general pair with the Senator from Maine [Mr. WHITE].

I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I also wish to announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Alabama [Mr. BLACK], the Senator from Colorado [Mr. COSTIGAN], the Senator from

Illinois [Mr. DIETERICH], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. McADOO], the Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate on official business.

The result was announced—yeas 59, nays 17, as follows:

YEAS—59

Adams	Davis	Kean	Overton
Ashurst	Dickinson	Keyes	Patterson
Bailey	Dill	La Follette	Pope
Bankhead	Duffy	Lewis	Reed
Bone	Erickson	Logan	Reynolds
Brown	Fletcher	McCarran	Robinson, Ind.
Bulkley	Frazier	McGill	Russell
Bulow	George	McKellar	Sheppard
Byrd	Glass	McNary	Shipstead
Byrnes	Goldsborough	Murphy	Stephens
Capper	Hastings	Neely	Thomas, Utah
Carey	Hatch	Norbeck	Thompson
Connally	Hatfield	Norris	Townsend
Coolidge	Hebert	Nye	Vandenberg
Couzens	Johnson	O'Mahoney	

NAYS—17

Barkley	Gibson	Schall	Wagner
Borah	Harrison	Smith	Walsh
Clark	Hayden	Stetson	
Copeland	Louderman	Tydings	
Fess	Robinson, Ark.	Van Nuys	

NOT VOTING—20

Austin	Costigan	King	Thomas, Okla.
Bachman	Cutting	Long	Trammell
Barbour	Dieterich	McAdoo	Walcott
Black	Gore	Metcalf	Wheeler
Caraway	Hale	Pittman	White

So the committee amendment, as amended, was agreed to. Mr. CLARK. Mr. President, I move that section 602 be stricken from the bill. I make the motion in spite of the fact that the vote on the last amendment discloses the hopeless nature of this proposal. I make the motion because, to my mind, the inclusion in a so-called "revenue bill" of provisions which are not intended to raise revenue, but contemplate an embargo, is a most dishonest and most vicious system of legislating.

In the revenue bill of 1932, by a coalition between various interests represented on this floor, a system of excise taxes amounting to embargoes was included. That action on the part of the United States Senate, finally enacted into law, outraged the people of this Nation from one coast to the other, and contributed in very large measure to the victory which the Democratic Party won in the election of 1932.

The provision embodied in this section as amended is not a revenue provision at all. It is a tariff, very thinly disguised, and a prohibitive tariff at that.

I do not feel that there is any justification whatever for this proposition. If it is necessary and desirable to establish a compensatory duty on account of the processing taxes imposed in the Agricultural Adjustment Act, the proposal ought to be brought in on its merits as an amendment to that act, instead of being inserted surreptitiously in a bill ostensibly for the purpose of raising revenue.

I therefore make the motion to strike out the section, and on that I ask for the yeas and nays.

Mr. CONNALLY. Mr. President, the Senator from Missouri wishes to strike out all of this section on the ground that it is a pretext for levying a tax, not for revenue, but for protection purposes.

I am surprised at the Senator from Missouri. At the last session of the Congress, as Senators will remember, the Senator from Missouri had a bill here on the floor of the Senate which would have required, by law, that in all gasoline there must be used a certain percentage of alcohol in order to help the corn raisers of Missouri and of Iowa to get more for the alcohol which was made out of their corn.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. The Senator will recall that I did not attempt to attach that proposition to a revenue bill. In introducing the bill, which I did by request, I made no pretense whatever that I was undertaking to raise revenue. It was

an entirely different use of the taxing power. If the Senator from Texas will bring this proposition forward on its merits, it might be considered differently.

Mr. CONNALLY. I stated yesterday to the Senator from Idaho that when a Senator says, "This is a fine proposition, but bring it up in some other way", I know he is not for it.

The Senator from Missouri admits that last year he was willing to use the taxing power of the Government to force people to use alcohol in their gasoline instead of in their stomachs in order to help the farmers in Missouri who raise corn. He says it was not on a general revenue bill. What difference does it make whether it is on a general revenue bill or on a special revenue bill? So long as we tax an individual what difference does it make whether we get the money out of his right pocket or out of his left pocket?

The Senator from Missouri is perfectly willing to tax the liver and lights out of the rest of the people in order to help the corn growers in Missouri to sell their corn in a liquid form rather than in a solid form, but he is opposed to using the taxing power to help every farmer and every cattleman and every hog raiser and every cotton producer and everybody else who produces fats and oils anywhere in the United States.

He is in favor of using the taxing power to tax one American citizen out of his boots in order to help another one, but he is not in favor of using the taxing power to help the American farmer as against the little brown fellow of the Philippines. I am surprised that the Senator from Missouri should raise that kind of a question here now.

Mr. President, I offered this proposal in the committee. After exhaustive hearings, and testimony from experts and interested parties, the Committee on Finance adopted the amendment as a committee amendment. We have had thorough debate, we have had several votes, and why should we now, after spending all this time, consume any more time on a motion to strike out?

Mr. ASHURST. Mr. President, I regret to take even a moment of the Senate's time when time is precious, but some attention must be paid to the motion of the Senator from Missouri [Mr. CLARK], and I feel disposed to pay some attention, respectfully, of course, to the language he employed.

The Senator, with his scholarship, in a few sentences inveighed against the tax bill passed in 1932 because, forsooth, that tax bill had carried some items of taxes or tariff respecting certain articles imported into the United States.

I regard the Senator from Missouri as one of the ablest exponents of the low-tariff system we have in the Senate. I shall say for him he has tried to be consistent, but even if he were guilty of the apparent inconsistency adverted to by the learned Senator from Texas [Mr. CONNALLY], that would not condemn him in my judgment, and he would be secure from my prejudice, because when I took the oath of office I took it without reservation, but there was a pledge to myself that I would never, as a Senator, try to be consistent. The man who tries to be consistent simply says "I decline to be wiser today than I was yesterday."

So, Mr. President, I defend the tax or Tariff Act of 1932. That act laid a tax or tariff upon oils, copper, coal, and lumber imported. I voted for those items and I have searched my heart since then and find no regret for the vote I then cast.

It ought always to be the duty of an American Congress to try to promote the American market. There is no escape from the irresistible logic of the statement that the American is entitled to his own home market.

I am not so much concerned about foreign countries, romantic as their history is, as I am about America; and I rise now to serve notice, respectfully, of course, on the able Senator from Missouri that I have proposed a tax—a tariff, if you prefer—of 10 cents a pound upon all copper imported into the United States.

Mr. President, there are some Democrats, able men, before whom Columbia would be proud to lay her shining hair, who are high-tariff men, but some of them rather conceal the

fact that they are for high tariffs. I make no concealment of my position—no concealment whatever.

Daniel Webster went to the Congress of the United States from New Hampshire as a free trader, but that imperial intellect, yielding to the irresistible forces of logic, preparedness, national destiny, and national advancement, changed from a free trader into a great champion of protection.

Mr. President, I do not deny that when I came to Congress many years ago I had studied theories and I believed in the theory of low tariffs, and my theories were so fine-spun and so brittle that I could liken them to porcelain or glass. With an agility and a nonchalance at that time that I now even in myself admire I hurled my theories, my bric-a-brac, my porcelain, my glass, against the concrete wall of fact here for 10 years, and my porcelain was always shattered. It was not the wall that was shattered.

It is not theory that guides and controls the destinies of men. It is fact that controls.

So, Mr. President, this is, it must be, it should be a high-tariff country. You will not survive with your low tariffs. You will not survive with your free trade. You will not elevate, protect, defend, or strengthen the American working man by a system of low tariffs.

Arizona produced during the World War one third of all the copper used by the Allies. Arizona produced one sixth of the copper of the world, and around her copper mines and copper camps a civilization, comparable to that of any other city or town in America in culture, in patriotism, and refinement, was built. The same thing is true of the other copper-producing States. But, forsooth, when the enormously rich deposits of copper were exposed in Africa and in South America, where labor receives 40 cents a day and works 12 hours daily, the copper-mining industry of the United States not merely fell into obsolescence and disrepair but it was almost exterminated.

If the Senator from Missouri will assist me in securing the passage of the amendment which proposes a tariff of 10 cents per pound on copper imported into the United States, I give him guaranties that Arizona will never ask a dollar from the C.C.C., the C.W.A., the E.R.A., or any other governmental relief agency, because such tariff would at once put to work 30,000 working men in the mines and smelters of Arizona; such tariff would at once cause the smoke to pour forth from the smelter stacks now so pathetically empty; it would at once cause the thud of the drill to be heard in the shafts, drifts, and stopes in the mines that are now dark.

I cannot speak now as to what revenue the tariff on oil brought into the Treasury; but I am able to say that under adverse conditions the copper tariff in about 18 months has brought into the Treasury of the United States \$712,022. So if the tariff should be increased on copper, not only would it set to work the workmen of Arizona, but it would in large measure restore Nevada, it would restore Montana, it would, Mr. President, aid northern Michigan and some counties in Tennessee. It would at once set to work, with hope and with heart, and with industry and with smiling optimism many workmen in Idaho, Colorado, Utah, and New Mexico.

Senators may talk their fine-spun theories, but when I point them to a system which sets men to work at good wages, no shafts of ridicule pierce such system.

The able Senator from Missouri doubtless will say, because the Senator from Missouri has not only won laurels in the fields of statesmanship, but he has already won and will continue to win greater laurels in biographical literature, that the great Democratic statesmen of our early days were free traders. I read with pride, not only because he was a fellow Senator but because of my admiration for accurate writers of history, the Senator's life of John Quincy Adams. I do not perceive why he chose John Quincy Adams; I should have thought he would have chosen some free trader, but doubtless this able historian will attempt in the future to tell us that Thomas Jefferson was a free trader, or that Thomas Jefferson was at least a low-tariff man.

Mr. President, I have 16 letters or copies of letters written by Thomas Jefferson pointing out that if the United States

hoped to grow, expand, and become strong and efficient in governmental affairs and a power for good in the world she must protect herself by a proper tariff—letters written by Thomas Jefferson, the saint and sage of the Democratic Party.

And Andrew Jackson—what message comes to us from the Hermitage, from the grand old warrior who announced that we ought to have a protective tariff in order to stimulate and build up the industries in America that were necessary in times of war? By the way, Andrew Jackson was not nominated or even proposed for President by Tennessee. It was the high protective tariff State of Pennsylvania that championed the cause of Andrew Jackson; it was the State which from the writing of the Federal Constitution down to this day has stood for protection. Thomas Fitzsimmons, in the Constitutional Convention in 1787, announced the protective-tariff system from Pennsylvania.

It was James Madison, of Virginia, 8 years as Secretary of State and 8 years as President, who guided through the House of Representatives of the United States in 1789 the first tariff bill. It was that superb intellect—and Virginia has contributed a legion of them; they are here today in the persons of her Senators, although they may not agree with Madison on that point—it was James Madison who in his own hand wrote the preamble of the first tariff bill, which preamble stated:

In order to protect the industries of the United States and raise revenue.

That preamble was written by the hand of James Madison, from whose hand and brain many great State papers have come.

When Pennsylvania, the high-tariff State, launched Andrew Jackson as a candidate for the Presidency, Martin Van Buren and Aaron Burr—Burr then had fallen into disrepute and was at that time a ruined man—championed his candidacy. I shall not consume the valuable time of the Senate to relate how much injustice has been done Aaron Burr more than to say that he saw in Jackson, as did Van Buren, possibilities of Democratic success. They championed Jackson, whereupon Mr. Ritchie, one of the most—if not the most—distinguished editor in the Democratic Party at that time, wrote to General Jackson and said:

We have noted that you are advanced as a candidate for the Presidency—

That was in Jackson's first race—

and we desire in frankness to know if you are going to support the high-tariff system—

Now I use Mr. Ritchie's words—

and if you are going to support a high-tariff system, the support of Virginia will be relaxed.

Jackson, in a letter that I once could quote by heart—I shall only give it a passing reference—went on to point out to Mr. Ritchie that our workmen without a protective tariff could not compete with the workmen of foreign countries; that our industries could not succeed without a protective tariff; and Andrew Jackson, just as he never did, on that occasion did not retreat. Under the arrows of the enemy in the Creek and Seminole war Jackson would not retreat. When he faced the cold pistol barrel of his fellow duelist, Charles Dickinson, he allowed Dickinson the first shot, and then he fired; Jackson did not retreat. Under the guns on the plains of Chalmette, Jackson did not retreat; and under the political guns which cause many worthy men to retreat who do not even on the field of battle retreat, under the political guns Jackson declined to retreat, stood for a protective tariff, and served 8 years as President of the United States.

I respectfully say to my friend the Senator from Virginia [Mr. GLASS], one of the statesmen of the Senate, who, with his superb intellect, adorns this Chamber, that, while I did not agree with him the other day in his speech in support of the Presidential veto, mine eyes, mine eyes have long

been dry but tears almost came to them under the majestic spell of his eloquence pleading for what he believed to be right. Although I did not agree with him then, I say to him that I am right on this question, and he is not following the true doctrine of democracy when he advocates low tariffs and free trade. The low-tariff or free-trade doctrine is one that has been engrafted upon the Democratic Party by men who sit in academic chairs and do not have to meet pay rolls.

So I serve notice in advance that the keen thrust, the almost sarcastic suggestion of the able Senator from Missouri that some disreputable thing was done in 1932, when we levied a tariff in a tax bill, falls harmless against the armor of historical truth and the logical position which we Democrats who are in favor of a tariff occupy on this occasion.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. ASHURST. I will yield for a moment only.

Mr. LONG. Just for a question.

Mr. ASHURST. I will yield for a question.

Mr. LONG. The Senator is not trying to convert the Senator from Missouri [Mr. CLARK] on the tariff question, is he?

Mr. ASHURST. Mr. President, I believe that even the Senator from Missouri may be converted. I refuse to believe that he, with his brilliant intellect, well trained in college—

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ASHURST. I will yield in just a moment—trained in war, a superb lawyer under the tutelage of his distinguished father, whose memory we revere—I refuse to believe that such a Senator will not yield to logic and to common sense.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. CLARK. I thank the Senator very much, indeed, for his very kind compliment. I should like to say to the Senator, however, that when he offers his amendment providing for a tax of 10 cents on copper the Senate will have an opportunity to decide definitely between two theories, because I intend to offer as a substitute for that suggestion a proposal to repeal all the excise taxes contained in the Revenue Act of 1932.

Mr. ASHURST. The Senator's statement is commendable, at least from the viewpoint of frankness, because he attempted to do that, so I am advised, in the committee; but, of course, when he shall make his motion to strike out these excise taxes I will then insist that the motion shall not prevail. Why, forsooth, when copper brings \$750,000

in revenue to the Treasury, should that revenue be refused, sir?

Mr. CLARK. What does that tax cost the American people?

Mr. ASHURST. What does it cost the American people?

Mr. CLARK. That is the fairest test of a tax; not the amount that it brings into the Treasury but the amount of revenue it brings into the Treasury in comparison to the amount in which the American people are mulcted.

Mr. ASHURST. What does it cost the American people? Mr. President, I decline further to cavil with one who asks what will justice cost. "Oh, it is too expensive to have justice; let us have more injustice." I do not care to prolong a controversy with a man who is going to refuse justice to an American industry because it costs money.

Mr. President, some years ago in one of the thriving cities of Arizona—I shall not mention its name as I do not wish to expose some of my friends to what would be good-natured raillery because of the position in which they were placed; so I will simply say it is a town well known for its hospitality, well known for its Americanism, well known from the fact that it has poured forth the red metal, copper, into the veins and channels of trade for 50 years; with the knowledge that this town produced vast quantities of red metal, copper, it was thought to be wise, inasmuch as many of the great cathedrals and other monumental buildings in Europe had been roofed with copper for more than 500 years, and that copper was durable, its ductility great, its tensile strength of a high degree, to roof a new schoolhouse in that town with copper. So, with enthusiasm, the trustees of the school district announced in proposals for bids that copper must be used for the roof of the building. Very good. They received the acclaim of their fellow townsmen, who said, "Now, Arizona and America are coming into their own; we are going to roof some of our buildings with copper." However, they overlooked to say "copper mined and processed in the United States"; so the contractor sent to a foreign country, and, at an exceedingly low cost, brought in great sheets of copper and roofed the building in a copper town in the Southwest with copper brought from a foreign country.

That was a refinement of irony; and the Senate will see now why I did not mention the name of the town and did not mention the names of the men who at that time happened to be on the school board.

I ask unanimous consent to include in the RECORD a table which I have from the Treasury Department, being figures showing the importations of copper and the amount of duty collected thereon since the last revenue act was passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and permission is granted.

The table referred to is as follows:

Imports of copper and copper manufactures dutiable under section 601, Revenue Act of 1932, June 21, 1932, to Feb. 28, 1934, inclusive

	Rate of duty	Pounds, copper content				Duty collected
		June 21-Dec. 31, 1932	Calendar year 1933	January and February 1934	Total under Revenue Act of 1932	
Copper, formerly free, made dutiable under Revenue Act of 1932:						
Copper ore, n.e.s.	4 cents per pound	200	937		1,157	\$46
Copper in pyrite ore	do.	1,530,779			1,530,779	60,381
Regulus, black, or coarse copper and cement copper	do.	16,711	1,287		17,998	720
Unrefined, black, blister, and converter copper	do.	539,637	1,014,543	224,165	1,778,345	71,134
Refined copper in ingots, plates or bars	do.	1,364,901	7,447,257	1,289,311	10,101,459	404,059
Copper manufactures on which added duty was imposed by Revenue Act of 1932:						
Brass rods, sheets, plates, bars, and strips	do.	1,653	55,475	360	57,488	2,300
Brass tubes and tubing, seamless	do.	12,303	28,771	3,761	44,835	1,793
Brass wire	do.	252	26,004	2,801	29,057	1,162
Bronze tubes	do.	261,924	278,832	70,035	610,791	24,432
Bronze wire	do.	76,977	204,942	30,985	312,904	12,516
Other articles containing copper	do.	9,279	42,926	5,782	57,987	2,319
Articles having chief value of copper	3 cents per pound	1,122,360	2,329,866	(1)	3,452,226	103,567
Articles having less than 4 percent of copper	¾ cent per pound	894,167	1,962,933	(1)	2,857,100	21,428
Articles having more than 4 percent of copper	3 percent			(1)		5,715
Total		5,821,143	13,393,773	1,627,200	20,842,126	712,022

¹ Not yet reported.

Mr. BONE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield.

Mr. BONE. I should like to ask the Senator a question. During my service here it is my recollection that I have seen a statement in print that copper ingots have been laid down in New York at 6 cents a pound. I wonder if the Senator knows whether there is any truth in that statement?

Mr. ASHURST. I know of some copper laid down in some ports—I shall not say New York, but laid down in some of the Atlantic ports, and, indeed, at some of the Pacific ports—for a little less than 6 cents a pound, and some at 6 cents a pound. I will ask the Senator from Nevada if I am not correct as to that?

Mr. McCARRAN. The Senator is correct.

Mr. ASHURST. So, it will be perceived that it is only by a remote excursion into the realms of imagination that anyone can be led to believe that we can mine and produce copper, pay our workmen good wages so that they may live as we claim we want our workmen to live, as dignified American citizens, and compete with Africa and South America, where, I repeat, many of the mines are richer than ours and the workmen wear only what a Senator during the debate a while ago referred to as that well-known article of habili-ment, the breechclout, and labors 12 hours a day, and, as a magnate said, "They do not organize; do not bother us with organization." It is not possible for America to compete unless and until we have a proper tariff on copper or an embargo—and I do not hesitate at all to use the word "embargo" if we cannot make adequate provision by a tariff. Unless we shall have one of these, the entire copper-producing business and the copper-smelting industry in the United States will be gone.

Mr. President, may I say that he would be inhuman who wished another war and he would be a fool—I will withdraw the word "fool" and say he would be an unpretending simpleton—who did not see in certain quarters of this earth manifestations working, interchanges and exchanges, sinuous methods, devices being employed that may lead us on ultimately into some trouble; I hesitate to say would lead us into war. I abhor the words so much that it is with difficulty I approach the subject, but should we, most unhappily, be drawn into any conflict, I do not want the United States to be found in the position, if such unfortunate eventuality should occur, as we were in during the World War. When the World War broke out we did not have supplies of manganese at all comparable with our needs, whereupon it was necessary to import manganese, because next to copper manganese is the most essential of all the war minerals.

It will be remembered by Senators that when the steamship *Cyclops* was lost she went down, and the loss of the *Cyclops* will be remembered with grief by Senators, because a nephew of one of our Senators was on board. All aboard were lost. She is now at the Port of Missing Men. No one knows what became of her. Not a spar, not a rope, not a board, not a piece of evidence survives today to tell us what happened to the *Cyclops*. She was laden with manganese, trying to reach an American port from Brazil in order that our factories might make weapons, munitions of war, to help win the World War in which we were engaged. In other words, we had to depend upon foreign countries for our supplies of manganese.

I do not intend to have it said when I retire from public service, "There goes a man who served in the Senate a long time, but he never had the vision to see to it that we of the United States ought to be producing all we need and require, that America should produce her own manganese and her own copper; but supinely he sat and permitted free trade and low tariff theorists to allow the importation of copper and manganese into the United States from foreign countries." Whatever may be my political fate, it shall not be charged that I sat here supinely and did not protest against this doctrine of free trade.

Mr. President, let me say a personal word. I am not going to retire from the Senate unless my constituents retire me. From the gathering of my friends it would seem that in my State they believe they can retire me. Indeed, they have paid me the compliment in my State of bringing out five very excellent and able gentlemen against me. I not only have one opponent to defeat, but I have five worthy gentlemen to defeat. Scrubs never run against me. Always high-grade, excellent men run against me. Indeed, one of my most formidable opponents, a sound lawyer, a brilliant orator, well known by 25 or 30 Senators here, is named Barnum, and whatever advertising he may obtain out of my reference to him he is welcome to, because if he or any other of my present opponents be chosen I do not think the Senate or the country will suffer by my displacement or by his election; but, "believe you me", as I heard on the campus at Harvard, they will not displace me without some effort on their part! [Laughter.]

My own displacement might amount to but very little. Possibly there may be half a dozen men here—I shall not name them—whom we would miss upon their retirement, but if I or most of us were to retire we would leave about the same impression that we would if we put our finger in a basin of water and withdrew the finger. [Laughter.]

I say again, in all seriousness, that I have no apologies to make, here or elsewhere, for my advocacy of a protective tariff. I chose this tariff course for myself more than 14 years ago, and I have adhered to it. Whenever I meet my good friend, the present able and cultured Secretary of State—I am sure he has an affection for me and I know I have an affection for him—I suspect that he knows if I secure opportunity I shall try to induce him to come over to my idea of a protective tariff and thus make America strong and efficient.

I thank the Senate for its attention.

Mr. BONE. Mr. President, I desire to ask the Senator from Missouri [Mr. CLARK] a question with reference to his amendment. I quite agree with the Senator from New York [Mr. COPELAND] that it would probably be impossible in this bill to distinguish in taxation between the oil that ultimately goes into edible products and the oil which goes into other commercial products, such as sprays and the like. The vote clearly indicates that the Senate probably would not make such a distinction, and it would be impossible to make the distinction in taxes.

I should like to ask the Senator from Missouri if his amendment proposes to strike out the entire section or merely that part of it added by the amendment of the Senator from Nebraska [Mr. NORRIS]?

Mr. CLARK. Mr. President, my motion is to strike out the entire section. It would not be in order to move to strike out the language inserted by the amendment of the Senator from Nebraska except by way of a motion to reconsider.

Mr. BONE. That was my impression.

Mr. CLARK. My motion is a fundamental motion designed to strike out the section so far as it imposes a processing tax on the various oils.

Mr. BONE. May I continue this question for an instant? The Senator refers to the section, but the section is found on pages 214, 215, 216, and a part of 217. I wondered if it is the purpose of the Senator to strike out the entire section?

Mr. CLARK. Yes. The whole section has to do with imposing a processing tax on various kinds of oil.

Mr. BONE. I thank the Senator.

Mr. CLARK. Mr. President, I do not desire, in the consideration of a revenue bill, to enter into any debate with my very able and distinguished friend the Senator from Arizona [Mr. ASHURST] on historical background and theories or to go into detail at this stage of the debate on a revenue bill as to the position in the past of the great historical figures of the Democratic Party. I may say that several times before I have heard the Senator from Arizona make this same speech as to the position of Jefferson, Jack-

son, and Madison, and it has long been my intention at the proper time and when the proper subject was before the Senate to discuss in some detail with the Senator from Arizona the historical background of the tariff and the position of those eminent leaders of the Democracy. I prefer, however, not to do that until after the reelection of the Senator, which we all hope for and expect despite his obvious blind spot on the tariff.

I desire only to say, so far as the tariff is concerned, that the results of the high protective tariff system or the prohibitive tariff system as it is now, is, and has been for the last few years may be summed up in one sentence:

Twelve million Americans out of employment, 4,000,000 Americans on the dole, banks closed on every hand, industry prostrate, agriculture beggared, and the United States in the midst of the greatest depression the Nation has ever seen.

The subject of the tariff has nothing to do with my motion to strike out, except that I return to my original proposition that it is a vicious and dishonest legislative system, under the guise of a processing tax, to undertake to impose an embargo. It is perfectly obvious that the only purpose in this provision was not to raise revenue, not to produce revenue in any degree whatever, but to create a prohibitive tax amounting to an embargo. If there ever had been any question as an original proposition with reference to the intention of Congress not to consider this as a revenue-producing measure, it was effectually settled by the adoption of the amendment of the Senator from Nebraska [Mr. NORRIS] this morning. That amendment would turn back to someone else all the money, if any is raised.

Coming back to the subject of copper, the fact of the matter is that the copper industry is suffering in this country because the copper interests proceeded to "jack up" the price of copper so high to the consumers of the world that they made it worth while for certain foreign nations to buy American machinery and develop their own copper deposits. It has affected the copper market in that way.

The same thing is true in every other case in which prohibitive taxes have been imposed, and the producer or the monopolist in this country has been the supposed beneficiary of a prohibitive tariff tax. It has resulted in the long run in penury to the industry and unemployment to the laborer.

Mr. President, mention was made by the Senator from Texas [Mr. CONNALLY] of the fact that in the last session of Congress I, in conjunction with the Senator from Iowa [Mr. DICKINSON], introduced a bill providing for the imposition of a tax on gasoline which was not mixed with a certain mixture of alcohol. I introduced that bill at the request of the present Administrator of the Agricultural Adjustment Administration. I stated frankly to the Committee on Finance, to which the bill was referred, that I was by no means convinced of the merit of the measure, that I had introduced it by request, and, instead of pressing it before the committee, I requested that a subcommittee be appointed to investigate the matter and consider it.

A subcommittee was appointed, of which I was named chairman, and of which the Senator from Texas [Mr. CONNALLY] and the Senator from Oklahoma [Mr. GORE] were members, representing two oil-producing States. During the fall it was my intention to call a meeting of the subcommittee for hearings before the meeting of Congress for the purpose of studying the merits of the measure, but owing to the fact that the Senator from Texas [Mr. CONNALLY] was engaged in investigations in Louisiana, and that the Senator from Oklahoma [Mr. GORE] was detained in the hearings before the Banking and Currency Committee, no meetings of the subcommittee were held before the meeting of Congress. I did not desire to hold the hearings in the absence of the Senators from the oil States. Since that time nearly constant meetings of the full committee have prevented the holding of hearings by the subcommittee.

Whatever may be the fact about that, however, if I were in real good faith fully convinced of the merits of that pro-

posal, and were its active sponsor, I may say to the Senator from Texas that I should never be willing to do what he is doing in this case—bringing in a proposition not really designed to raise revenue, and undertaking to ride it through the Congress of the United States upon the coat-tails of a revenue-producing measure.

Mr. LONG. Mr. President, will my friend yield to me for a question?

Mr. CLARK. I yield the floor.

Mr. LONG. I intended to ask a question.

I just wish to say that if we do not take steps to protect the cotton industry, whether we call it by embargo or by revenue bill, or by tariff, it is a question of time as to how long we shall have a domestic cotton business.

If we do not protect the lumber business, it is a question as to how long we shall have a lumber business.

If we do not protect the copper business, we know that we shall have no copper business.

If we do not protect the farming industry, we are going to put the farmer in a worse fix than he is in now.

The leadership of the tariff fight in the future will be on this side of the Chamber.

There is not any question, Mr. President, but that the South and the Middle West have begun to find out that they must have tariffs.

For a number of years the only southerners who dared to open their mouths in favor of a tariff bill were the men who came from my State; but today it has become so patent that a man must be blind who does not realize that the part of the country ordinarily controlled by the Democracy will have to insist on a tariff if we are to have any domestic enterprise, particularly of farming, in the future.

Mr. GLASS. Mr. President, what is the use of having them all on this side of the Chamber? Why do not all of us go on the other side of the Chamber? [Laughter.]

Mr. LONG. Because, if I may say so to my friend from Virginia, we are tired of the Republicans being the only people to champion the tariff doctrine of Jefferson and Jackson. We propose to do some of it ourselves. [Laughter.]

Mr. HARRISON. Mr. President, there are two or three slight amendments to this section which I should like to have agreed to before the question is put on the motion of the Senator from Missouri [Mr. CLARK] to strike out the section.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 214, line 20, before the word "place", it is proposed to insert the word "principal", so as to read:

(b) Each processor required to pay the tax imposed by this section shall make monthly returns under oath in duplicate and pay the tax to the collector of internal revenue for the district in which is located his principal place of business, or if he has no principal place of business in the United States, then to the collector of internal revenue at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 1 percent per month from the time the tax became due until paid.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 215, line 10, after the word "division", it is proposed to strike out "thereof" and insert "thereof", so as to read:

(c) Subject to such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe, any person who has sold to a State, or political subdivision thereof, for use in the exercise of an essential governmental function any article containing any such oil, combination, or mixture, upon the processing of which a tax has been paid under this section shall be entitled to a credit or refund of the tax paid with respect to the quantity of such oil, combination, or mixture contained in such article.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 216, line 13, before the word "the", it is proposed to strike out "the amount to be

paid thereunder of the whole of such tax, then (unless the contract expressly prohibits such addition)", so as to read:

(e) If (1) any person has, prior to January 26, 1934, made a bona fide contract for the sale on or after the effective date of this section of any article wholly or in chief value of an article with respect to which a tax is imposed by this section or of any article with respect to which a tax is imposed by this subsection, and if (2) such contract does not permit the addition to the amount to be paid thereunder of the whole of such tax, then (unless the contract expressly prohibits such addition) the vendee shall pay so much of the tax as is not permitted to be added to the contract price. Taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated and shall be returned and paid to the United States by the vendor in the same manner as other taxes under this section. In case of failure or refusal by the vendee to pay such taxes to the vendor, the vendor shall report the facts to the Commissioner, who shall cause collection of such taxes to be made from the vendee.

The amendment was agreed to.

Mr. WALSH. Mr. President, I should like to have the opinion of the Chairman of the Finance Committee on the pending motion.

Mr. HARRISON. Mr. President, I may say to the Senator from Massachusetts that I expect to vote for the pending motion, but I know that I shall be in the hopeless minority, and I think the Senator from Missouri realizes it.

Mr. WALSH. In other words, the chairman of the committee thinks the situation is such, in view of the amendments adopted, that the best way out of our difficulties is to strike out the entire section?

Mr. HARRISON. As the Senator recalls, in the committee I voted against the proposal because it made no exemption of coconut oil from the Philippines.

Mr. GEORGE. Mr. President, I regret very much that the chairman of the committee does not recognize the wish of the Senate any more than he does that of the Finance Committee, because we have demonstrated, both in the committee and on this floor, that we want this tax.

I desire to make a brief statement.

The Senator from Missouri [Mr. CLARK] is asking that the entire section relating to all of the taxes imposed upon all of the oils, with the exceptions, exemptions, modifications, or whatnot, contained in the section be stricken from the bill. If that motion should prevail we will go to conference with the House on a flat definite tax of 5 cents a pound on the products of the Philippine Islands alone.

As this provision now stands, we have imposed a much more reasonable tax upon all foreign oils. If we strike it out, we will go into conference with the record today made in the Senate, with the House conferees insisting upon a flat tax of 5 cents a pound on the Philippine products alone.

The section ought not to be stricken out.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Missouri [Mr. CLARK].

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CUTTING (when his name was called). I have a pair for the day with the Senator from Florida [Mr. TRAMMELL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. FESS (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], who is detained from the Senate, and therefore withhold my vote.

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McADOO]. He is not present. Not knowing how he would vote on this question, I refrain from voting. If I were at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. WHITE (after having voted in the negative). I understand that I have a general pair with the Senator from Nevada [Mr. PITTMAN], and therefore withdraw my vote.

Mr. AUSTIN (after having voted in the negative). Since voting I have been informed that I have a general pair with the Senator from Alabama [Mr. BLACK]. I therefore withdraw my vote.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Maryland [Mr. TYDINGS] is necessarily

detained on official business. If present, he would vote "yea."

I also desire to announce that the Senator from Washington [Mr. DILL], the Senator from Illinois [Mr. LEWIS], and the Senator from South Carolina [Mr. SMITH] are necessarily detained on important business of the Senate.

I also wish to announce that the Senator from Texas [Mr. CONNALLY] is detained in one of the Government departments. If present, he would vote "nay."

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Maine [Mr. HALE] with the Senator from Montana [Mr. WHEELER];

The Senator from New Jersey [Mr. BARBOUR] with the Senator from Utah [Mr. KING];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Oklahoma [Mr. GORE]; and

The Senator from New Jersey [Mr. KEAN] with the Senator from Maryland [Mr. TYDINGS].

I am not advised how any of these Senators would vote on this question.

Mr. WHITE. My colleague the senior Senator from Maine [Mr. HALE] is necessarily absent.

The result was announced—yeas 7, nays 64, as follows:

YEAS—7			
Borah	Copeland	Logan	Steilwer
Clark	Harrison	Robinson, Ark.	
NAYS—64			
Adams	Couzens	Keyes	Reed
Ashurst	Davis	La Follette	Reynolds
Bailey	Dickinson	Loneragan	Robinson, Ind.
Bankhead	Duffy	Long	Russell
Barkley	Erickson	McCarran	Schall
Bone	Fletcher	McGill	Sheppard
Brown	Frazier	McKellar	Shipstead
Bulkley	George	McNary	Stephens
Bulow	Gibson	Murphy	Thomas, Okla.
Byrd	Goldsborough	Neely	Thomas, Utah
Byrnes	Hastings	Norris	Thompson
Capper	Hatch	Nye	Townsend
Caraway	Hatfield	O'Mahoney	Vandenberg
Carey	Hayden	Overton	Van Nuys
Coolidge	Hebert	Patterson	Wagner
Costigan	Johnson	Pope	Walsh
NOT VOTING—25			
Austin	Dill	Lewis	Tydings
Bachman	Fess	McAdoo	Walcott
Barbour	Glass	Metcalf	Wheeler
Black	Gore	Norbeck	White
Connally	Hale	Pittman	
Cutting	Kean	Smith	
Dieterich	King	Trammell	

So Mr. CLARK's amendment was rejected.

REGULATION OF FISHERIES OF ALASKA

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 3022) to amend sections 3 and 4 of an act of Congress entitled "An act for the protection and regulation of the fisheries of Alaska", approved June 26, 1906, as amended by act of Congress approved June 6, 1924, and for other purposes, which were, on page 3, line 11, after "or", to insert "any", and to amend the title so as to read: "An act to amend sections 3 and 4 of an act of Congress entitled 'An act for the protection and regulation of the fisheries of Alaska', approved June 26, 1906, as amended by the act of Congress approved June 6, 1924, and for other purposes."

Mr. STEPHENS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

Mr. COUZENS. Mr. President, yesterday when the Senate voted on the amendment I had proposed to add 10 percent to the income taxes for the calendar year 1934, I changed my vote from "yea" to "nay" so that I might enter a motion to reconsider. I think we would expedite matters if we could get unanimous consent to reconsider the vote and then take a vote straight on the amendment. I, therefore,

ask unanimous consent that the vote by which the amendment was rejected be reconsidered, and then that we take a vote on the question itself.

Mr. BARKLEY. Without further debate?

Mr. COUZENS. No; I would not prevent debate, but I think we might have unanimous consent to reconsider the vote, and then we would not have to take a vote on that question.

The VICE PRESIDENT. The Senator from Michigan asks unanimous consent that the vote by which the amendment he offered was rejected be reconsidered. Is there objection?

Mr. REED. I object.

The VICE PRESIDENT. The Senator from Pennsylvania objects.

Mr. COUZENS. Mr. President, I move that the vote by which the Senate voted 44 to 46 yesterday and rejected the amendment by which I proposed to add 10 percent to the income taxes for 1934 be reconsidered.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BULOW (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. BACHMAN], and in his absence withhold my vote.

Mr. CUTTING (when his name was called). I have a pair with the junior Senator from Florida [Mr. TRAMMELL]. I am informed that on this question he would vote as I intend to vote, and, therefore, I am at liberty to vote. I vote "yea."

Mr. LEWIS (when Mr. DIETERICH's name was called). I announce the absence of my colleague [Mr. DIETERICH] for the reason heretofore given, and say that I am authorized also to state that were he present he would vote "nay."

Mr. GORE (when his name was called). I have a pair with the Senator from Rhode Island [Mr. METCALF]. In his absence I withhold my vote. If I were at liberty to vote, I should vote "yea", and if the Senator from Rhode Island [Mr. METCALF] were present and voting he would vote "nay."

Mr. MURPHY (when his name was called). On this vote I have a pair with the senior Senator from New Jersey [Mr. KEAN], who is absent from the Chamber on important business. If I were permitted to vote, I should vote "yea", and the Senator from New Jersey [Mr. KEAN], if present and voting, would vote "nay."

Mr. LA FOLLETTE (when Mr. WHEELER's name was called). The senior Senator from Montana [Mr. WHEELER] is unavoidably absent on account of illness. He is paired with the senior Senator from Maine [Mr. HALE]. If the Senator from Montana [Mr. WHEELER] were present, he would vote "yea", and the Senator from Maine [Mr. HALE] would vote "nay."

Mr. WHITE. On this vote I have a pair with the senior Senator from Nevada [Mr. PITTMAN]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. FESS (after having voted in the negative). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I understand, however, that if present he would vote as I have already voted. Therefore, I allow my vote to stand.

Mr. LEWIS. Mr. President, I wish to announce the following special pairs:

The Senator from Illinois [Mr. DIETERICH] with the Senator from Alabama [Mr. BLACK];

The Senator from Virginia [Mr. GLASS] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Maryland [Mr. TYDINGS] with the Senator from Texas [Mr. CONNALLY].

If present and voting, the Senator from Illinois [Mr. DIETERICH], the Senator from Virginia [Mr. GLASS], and the Senator from Maryland [Mr. TYDINGS] would vote "nay", and the Senator from Alabama [Mr. BLACK], the Senator from Florida [Mr. TRAMMELL], and the Senator from Texas [Mr. CONNALLY] would vote "yea."

Mr. WHITE. I do not know whether or not an announcement has been made, but I should like to have it appear in the RECORD that my colleague the senior Senator from Maine [Mr. HALE] is necessarily absent.

Mr. LEWIS. I desire to announce that the Senator from Florida [Mr. TRAMMELL], the Senator from Alabama [Mr. BLACK], the Senator from Texas [Mr. CONNALLY], the Senator from Virginia [Mr. GLASS], the Senator from Utah [Mr. KING], the Senator from West Virginia [Mr. NEELY], the Senator from Nevada [Mr. PITTMAN], the Senator from South Carolina [Mr. SMITH], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate on official business.

Mr. McKELLAR. My colleague the junior Senator from Tennessee [Mr. BACHMAN] is unavoidably detained from the Senate. Were he present, he would vote "nay" on this question.

The result was announced—yeas 40, nays 35, as follows:

YEAS—40

Ashurst	Couzens	La Follette	Pope
Barkley	Cutting	Logan	Reynolds
Bone	Dill	Long	Robinson, Ind.
Borah	Duffy	McCarran	Russell
Brown	Erickson	McGill	Schall
Bulkley	Fletcher	McNary	Sheppard
Capper	Frazier	Norris	Shipstead
Caraway	Hatch	Nye	Thomas, Okla.
Clark	Hayden	O'Mahoney	Thomas, Utah
Costigan	Johnson	Overton	Vandenberg

NAYS—35

Adams	Copeland	Hatfield	Robinson, Ark.
Austin	Davis	Hebert	Steiger
Bailey	Dickinson	Keyes	Thompson
Bankhead	Fess	Lewis	Townsend
Barbour	George	Loneragan	Van Nuys
Byrd	Gibson	McAdoo	Wagner
Byrnes	Goldsborough	McKellar	Walcott
Carey	Harrison	Patterson	Walsh
Coolidge	Hastings	Reed	

NOT VOTING—21

Bachman	Gore	Neely	Tydings
Black	Hale	Norbeck	Wheeler
Bulow	Kean	Pittman	White
Connally	King	Smith	
Dieterich	Metcalfe	Stephens	
Glass	Murphy	Trammell	

So the motion to reconsider was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. COUZENS].

Mr. COUZENS. Mr. President, I do not desire to consume much of the time of the Senate, because I think all Senators are familiar with the pending question. In view of the fact that there were 90 votes cast on yesterday, I think there is no Senator here who is not familiar with the question; but, in order to make sure, I will read the amendment so that there can be no misunderstanding. It provides for an increase of the tax for 1934 only. The amendment is as follows:

SEC. 14. Increase of tax for 1934: In the case of an individual the amount of tax payable for any taxable year beginning after December 31, 1933, and prior to January 1, 1935, shall be 10 percent greater than the amount of tax which would be payable if computed without regard to this section, but after the application of the credit for foreign taxes provided in section 131, and the credit for taxes withheld at the source provided in section 32.

Mr. President, it is estimated by the Treasury officials that the tax proposed by my amendment will bring in \$55,000,000 additional revenue. As I pointed out yesterday, we appropriated \$950,000,000 for C.W.A. and welfare work, and the whole revenue bill, with my amendment added thereto, will not bring into the Treasury more than half the amount required for that purpose.

The tax provided for in the amendment ranges from 80 cents additional tax on the man with an income of \$3,000 a year up to \$57,000 on the man who has an income of a million dollars a year.

Mr. President, this additional tax cannot be construed as a hardship upon any taxpayer, and it will last for only 1 year; that limitation being made in order that we may see what the evolution of the recovery will be.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. CUTTING (when his name was called). I have a pair with the junior Senator from Florida [Mr. TRAMMELL]. I am informed that on this question he would vote in the same way that I shall vote. Therefore, I feel at liberty to vote. I vote "yea."

Mr. FESS. Making the same announcement that I made on the previous roll call with reference to my pair with the senior Senator from Virginia [Mr. GLASS], I will say that I am advised that were he present he would vote as I intend to vote. Therefore, I am at liberty to vote. I vote "nay."

Mr. GORE. I am paired with the senior Senator from Rhode Island [Mr. METCALF]. If he were present he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. LA FOLLETTE (when Mr. NORBECK's name was called). The senior Senator from South Dakota [Mr. NORBECK] is unavoidably absent. If present, he would vote "yea."

Mr. WHITE (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. PITTMAN]. I understand from the announcement already made that I may transfer that pair to the senior Senator from South Dakota [Mr. NORBECK]. I do so, and vote "yea."

I should also like to have the fact appear in the RECORD that my colleague the senior Senator from Maine [Mr. HALE] is necessarily absent.

The roll call was concluded.

Mr. MURPHY. I have a pair with the senior Senator from New Jersey [Mr. KEAN]. I transfer that pair to the junior Senator from Florida [Mr. TRAMMELL], and will vote. I vote "yea."

Mr. LA FOLLETTE. I make the same announcement as before concerning the pair of the senior Senator from Montana [Mr. WHEELER] and the senior Senator from Maine [Mr. HALE]. I wish to add that if the senior Senator from Montana were present he would vote "yea", and if the senior Senator from Maine were present he would vote "nay."

Mr. MCKELLAR. I make the same announcement that I have already made in regard to my colleague [Mr. BACHMAN]. If he were present he would vote "nay."

The roll call was concluded.

Mr. LEWIS. I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I also desire to announce that the Senator from Alabama [Mr. BLACK], the Senator from Texas [Mr. CONNALLY], the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. PITTMAN], the Senator from South Carolina [Mr. SMITH], the Senator from Mississippi [Mr. STEPHENS], the Senator from Florida [Mr. TRAMMELL], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate on official business.

I also wish to announce the following special pairs:

The Senator from Alabama [Mr. BLACK], with the Senator from Illinois [Mr. DIETERICH], and

The Senator from Texas [Mr. CONNALLY] with the Senator from Maryland [Mr. TYDINGS].

I also wish to state that if the Senator from Alabama [Mr. BLACK], and the Senator from Texas [Mr. CONNALLY] were present they would vote "yea", and that if the Senator from Illinois [Mr. DIETERICH], and the Senator from Maryland [Mr. TYDINGS] were present they would vote "nay."

The result was announced—yeas 43, nays 36, as follows:

YEAS—43

Ashurst	Capper	Cutting	Frazier
Bone	Caraway	Dill	Hatch
Borah	Clark	Duffy	Hayden
Brown	Costigan	Erickson	Johnson
Bulkeley	Couzens	Fletcher	King

La Follette
Logan
Long
McCarran
McGill
McNary

Murphy
Neely
Norris
Nye
O'Mahoney
Overton

Pope
Reynolds
Robinson, Ind.
Russell
Schall
Sheppard

Shipstead
Thomas, Okla.
Thomas, Utah
Vandenberg
White

NAYS—36

Adams
Austin
Bailey
Bankhead
Barbour
Barkley
Byrd
Byrnes
Carey

Coolidge
Copeland
Davis
Dickinson
Fess
George
Gibson
Goldsborough
Harrison

Hastings
Hatfield
Hebert
Keyes
Lewis
Lonergan
McAdoo
McKellar
Patterson

Reed
Robinson, Ark.
Stelwer
Thompson
Townsend
Van Nuys
Wagner
Walcott
Walsh

NOT VOTING—17

Bachman
Black
Bulow
Connally
Dieterich

Glass
Gore
Hale
Kean
Metcalf

Norbeck
Pittman
Smith
Stephens
Trammell

Tydings
Wheeler

So the amendment of Mr. COUZENS was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment to the pending bill beginning on page 221, line 12, to strike out all of section 603.

This amendment simply proposes to strike out the emergency Federal tax of 1 cent a gallon on gasoline. I propose the amendment at the request of the three national farm organizations, the National Grange, American Farm Bureau, and Farmers Union, all of whom have gone on record in favor of my amendment.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. CAPPER. I yield.

The VICE PRESIDENT. The Chair is informed that the amendment of the Senator from Kansas is an amendment to a committee amendment which has heretofore been agreed to. In order that the Senator may be in order in offering his amendment it would be necessary to reconsider the vote by which the committee amendment was agreed to.

Mr. HARRISON. Mr. President, I ask unanimous consent that the vote by which the committee amendment was agreed to may be reconsidered for the purpose of enabling the Senator from Kansas to offer his amendment, because the Senator served notice some days ago that he wanted to offer the amendment.

Mr. CAPPER. I thank the Senator from Mississippi.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered. The question now is on the amendment offered by the Senator from Kansas to the amendment reported by the committee.

Mr. HARRISON. May I ask the Senator a question so as to make plain the purpose of his amendment? As I understand, what he is trying to do is to strike out the 1 cent a gallon tax on gasoline?

Mr. CAPPER. That is the purpose of the amendment.

Mr. HARRISON. In other words, the purpose is to strike out \$151,000,000 of revenue?

Mr. CAPPER. It will amount to about \$120,000,000, the Congress having already repealed half a cent of the tax.

Mr. HARRISON. A half cent of the tax has already been repealed, and that has gone into effect, but the experts say that this amendment, if adopted, will cost the Treasury \$151,000,000. The provision as to the tax on gasoline, I may say to the Senator, in any event, will cease to be in effect on the 30th of June of next year, and, after that time, there will be no tax on gasoline, if the law shall remain as it is.

Mr. CAPPER. Mr. President, I hope the Senate will adopt the amendment and rid us of what I consider a discriminatory, unjust, and outrageous tax.

This tax was imposed as a temporary tax in the Revenue Act of 1932. It invades a field already too well occupied by the States. It lays an excessive tax on an already overtaxed source of State and local revenue. It is one of the worst examples of double taxation which we have.

It is my thought—and I believe it also is the belief of most Members of the Senate—that the gasoline tax should be reserved for State and local taxing units and should be

devoted to highway construction and maintenance purposes. A fairly heavy tax, when used on the highways, can be justified.

But here we have this situation: Every State and the District of Columbia levies a gasoline tax. The tax ranges from 2 to 7 cents a gallon. That surely is a sufficiently heavy burden.

And consider, Mr. President, the tax plight of the motor-car owner and operator today. He is paying more than a billion dollars a year in Federal, State, and local taxes. The owners of motor vehicles are taxed annually somewhere around 25 percent of the total value of their property. Here is what they paid in taxes last year:

State gasoline taxes.....	\$519,000,000
State license fees.....	300,000,000
Federal gasoline tax.....	181,000,000
Federal lubricants tax.....	22,000,000
Federal tax on cars and motor cycles.....	22,000,000
Federal tax on tires.....	28,000,000
Federal tax on parts.....	4,000,000
Federal tax on trucks.....	3,000,000

And in addition, of course, to these taxes on purchasing and operating motor vehicles, in most States they also are taxed as personal property.

More than a billion dollars a year special taxes on motor-car and truck owners and operators seems to me to be entirely too heavy a share of the tax burden, heavy as that is, and must of necessity be upon all our people.

Mr. President, it is my contention that the gasoline tax should be left to the States, and the States should use the proceeds from gasoline taxes for the construction and maintenance of highways. Carrying out that policy justifies gasoline taxes so high that they would be, and are, unjustifiable for any other purpose.

There is a limit to what the traffic will bear, Mr. President, and it seems to me we have passed that limit in the levying of taxes on gasoline. The average gasoline tax now amounts to a 30-percent sales tax. I repeat, it has become an outrageous tax, and I earnestly hope the amendment will be adopted, and the motorists of this country saved the \$180,000,000 a year.

I submit, Mr. President, a statement from the National Grange through its Washington representative, Mr. Fred Brenckman, dated April 4, 1934, in which he says:

THE NATIONAL GRANGE,
Washington, D.C., April 4, 1934.

HON. ARTHUR CAPPER,
United States Senate, Washington, D.C.

DEAR SENATOR: At our last annual convention, held at Boise, Idaho, in November 1933, the National Grange adopted resolutions in opposition to Federal taxation of automobiles and gasoline. My personal contacts convince me that the position assumed by the Grange in this connection reflects the attitude of the rank and file of our 800,000 members in 34 States, who, as farmers, are already heavily overtaxed.

A number of States are now collecting a tax on gasoline amounting to 6 and 7 cents a gallon. High taxes on gasoline tend to increase the production costs of farmers and make prohibitive the use of automobiles and trucks in agricultural production.

Farmers are particularly concerned in this matter of a Federal gasoline tax, because they not only operate trucks and automobiles but stationary engines and tractors. Some States exempt from taxation gasoline that is used for stationary engines and tractors, while others do not.

When the first Federal tax on gasoline was enacted in 1932, we were given to understand that this was an emergency tax and would not be retained indefinitely. One of the arguments we used against the enactment of a general Federal sales tax (which also applies to the gasoline tax) was that because of its comparatively painless nature, once this type of taxation is resorted to, it is very difficult to replace it with more just taxation. This argument is being proven sound now by the reluctance of the Federal Government to terminate the Federal gas tax as it tacitly promised to do when it first adopted the gasoline tax as a method of raising revenue. The fact that a date for the termination of this tax was written into the 1932 act is clear evidence that it was looked upon as a temporary and emergency means of providing revenue for the Federal Government.

We, therefore, believe that the reenactment of a Federal gasoline tax is unjustified and uncalled for and that this field of taxation should be left to the States. The savings to the farmer which would accrue at the termination of the Federal gasoline tax would be an important item in the farmer's economic recovery.

Yours sincerely,

FRED BRECKMAN,
Washington Representative.

I submit, Mr. President, and ask that it may be printed in the RECORD, a statement from the American Farm Bureau Federation. I will quote briefly from it as follows:

For 5 years the American Farm Bureau Federation has opposed at every opportunity the entrance of the Federal Government into the field of gasoline taxation. This tax is, comparatively speaking, a new source of revenue, and owing to the necessities in States in regard to securing more revenue the gas tax has been exploited beyond reasonable bounds. In addition to the State gasoline taxes many municipalities have added an additional but usually smaller tax so that the point of diminishing returns has almost been reached.

There was an argument 2 years ago which was used then by the advocates of the Federal tax on gasoline. That argument was the one which started the gasoline tax in the States and among our cities, namely, the Government needed the money. No doubt that was true, but one commodity in general use by most of our citizens should not be made to bear more than its just portion of taxes levied by various units of government. Consequently, the American Farm Bureau Federation took a position several years ago that the Federal Government should keep out of the gasoline-tax field. Now that the Government has entered this field the American Farm Bureau Federation maintains that it should retire from it wholly, should get this revenue from other sources, and should leave the gasoline tax mostly for State uses.

Then, Mr. President, I present a statement by the American Motorist Association, of Washington, D.C., being "A brief review of the arguments for repeal of the Federal gasoline tax collected from the records of Congress itself." I ask that, together with the statement from the Farm Bureau Federation, it may be printed in the RECORD at this point.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION IN RE CERTAIN PROVISIONS OF THE REVENUE BILL, H.R. 7835

By Chester H. Gray, Washington representative, Mar. 17, 1934

I. TAX ON GASOLINE

For 5 years the American Farm Bureau Federation has opposed, at every opportunity, the entrance of the Federal Government into the field of gasoline taxation. This tax is, comparatively speaking, a new source of revenue and owing to the necessities in States in regard to securing more revenue the gas tax has been exploited beyond reasonable bounds. In addition to the State gasoline taxes many municipalities have added an additional but usually smaller tax so that the point of diminishing returns has almost been reached.

There was an argument 2 years ago which was used then by the advocates of the Federal tax on gasoline. That argument was the one which started the gasoline tax in the States and among our cities, namely, the Government needed the money. No doubt that was true; but one commodity in general use by most of our citizens should not be made to bear more than its just portion of taxes levied by various units of government. Consequently, the American Farm Bureau Federation took a position several years ago that the Federal Government should keep out of the gasoline tax field. Now that the Government has entered this field the American Farm Bureau Federation maintains that it should retire from it wholly, should get this revenue from other sources, and should leave the gasoline tax mostly for State uses.

One cannot consider the effects of a gasoline tax, heavy as that tax has come to be in most States, without realizing its correlated effects on the general use of the motor vehicle, whether for pleasure or profit. The cost of gasoline is naturally the biggest single factor making up the detail costs in the operation of a motor vehicle. The people of our Nation have built highways for use. The automobile industry is supplying us more vehicles of various kinds. The Federal Government should not now interfere with the joint use of motor vehicles and highways by adding to the cost of gasoline through the continued collection of a Federal tax thereon. Accordingly it is recommended that section 617 of H.R. 7835 be stricken from the measure, and as a result of such action by the Senate Committee on Finance the Federal Government will have retired from the gas-tax field.

II. TAX ON LUBRICATING OILS

For reasons which are similar to those presented by the American Farm Bureau Federation in favor of the Federal Government withdrawing from its imposition of taxes on gasoline, the federation also recommends that the tax on lubricating oils be discontinued in their operation under the present revenue act. Some who oppose this action state that the Government must have the money. A more sensible point of view, however, is to permit our citizens using greater quantities of lubricating oils, as well as of gasoline, so that in their daily transactions of business they may have a bigger turn-over and at least an increased prospective profit upon which to pay taxes.

The tax on lubricating oils has a tendency to curtail business development since the motor vehicle became permanent, and with such curtailment of business comes a general slowing down in the tax income of the Federal Government.

Mr. CAPPER. Mr. President, I offer a brief review of arguments for repeal of the Federal gasoline tax collected from the records of Congress itself by the American Motorists Association, of Washington, D.C.

I. The Federal gasoline tax originated in the Senate Finance Committee as a temporary measure, a budget-balancing expedient under the Revenue Act of 1932.

"This tax of 1 cent a gallon was imposed by the last Congress as emergency legislation to balance the Budget. I do not think it was the intention to make it permanent."—Chairman DOUGHTON, of House Ways and Means Committee.

"The Federal gasoline tax is a temporary measure."—House Subcommittee on Double Taxation.

"Your committee is of the opinion that the gasoline tax should be reserved for the States after June 30, 1934."—Senate Finance Committee, May 10, 1933.

II. The Federal gasoline tax invades a State tax field, diverting income from a source which supplies the States with nearly 40 percent of their tax revenue.

Memorials adopted by these State legislatures demand that the Federal Government withdraw from the field of gasoline taxation—Arkansas, Michigan, Mississippi, Montana, New York, Nevada, North Carolina, Oklahoma, Oregon, Ohio, South Dakota.—Records of hearings before Senate Finance Committee and House Ways and Means Committee.

III. The Federal gasoline tax constitutes double taxation. Gasoline taxes of 2 to 7 cents a gallon now are levied by every State and the District of Columbia.

"But even this does not represent the entire burden. Many of the counties and cities also impose additional gasoline taxes."—House Subcommittee on Double Taxation.

IV. The Federal gasoline tax, plus State gasoline taxes, makes the total tax on gasoline excessive in its relation to the price.

"The most heavily taxed commodity other than tobacco."—Representative VINSON.

"As a sales tax for general revenue purposes, it is outrageous."—Senator CAPPER.

The average retail price of gasoline in 1933 was 12.41 cents per gallon. The average of Federal and State taxes was 5.41 cents. This total represented a retail sales tax of 43.59 percent, a wholesale sales tax of more than 100 percent.

"It appears that the combined Federal, State, and local taxes imposed upon gasoline increase the sales price to the consumer from 30 percent to more than 100 percent."—House Subcommittee on Double Taxation.

V. The Federal gasoline tax is wrong in principle. Gasoline taxation was devised as a means of financing State highways.

"Such taxation should be left entirely within the province of the individual States."—Senator BYRD.

VI. The Federal gasoline tax violates tax justice by imposing an undue tax burden upon one necessary commodity. From 1918 through 1933 the Federal Government spent for highways \$1,184,160,000 but derived in taxes upon gasoline, motor vehicles, oil, etc., \$1,461,444,000.—Records of United States Department of Agriculture.

"If gasoline is classified as a necessity, as undoubtedly it must be in many cases, then the tax burden is unprecedentedly high for a necessity."—House Subcommittee on Double Taxation.

"I regard the Federal gasoline tax for general purposes as an unjust tax."—Senator CAPPER.

"In a country of great industries like this, it ought to be easy to distribute the burdens of taxation without making them anywhere bear too heavily or too exclusively upon any one set of persons or undertakings."—Woodrow Wilson.

VII. Excessive taxation of gasoline causes law violation and tax evasion.

"A very high rate of tax creates an incentive to evade, by bootlegging or otherwise, with a resulting loss of revenue to the States and competitive hardships to reputable distributors and dealers."—House Subcommittee on Double Taxation.

VIII. Excessive taxation of gasoline reduces consumption and thereby curtails tax revenues.

"There were declines in consumption in 1931 in all States having a gasoline tax rate of more than 2 cents per gallon. * * * It is evident that the rates are approaching the point of diminishing returns."—House Subcommittee on Double Taxation.

IX. The Federal Government now has other sources of revenue. The excuse for the Federal tax on gasoline was lack of substitute sources of revenue. Liquors and beer now provide lucrative revenue. Income from other Federal taxes is growing enormously.

X. The Federal gasoline tax adds to the tax burdens of the most heavily taxed taxpayer of the United States today—the owner of a motor vehicle. He is taxed annually about 27 percent of the value of his automotive property.

In 1933 he paid \$519,000,000 State gasoline taxes, plus \$300,000,000 State registration fees, plus \$181,000,000 Federal gasoline taxes, plus \$22,000,000 Federal lubricants taxes, plus \$22,000,000 Federal tax on motor cars and cycles, plus \$28,000,000 Federal tax on tires, plus \$4,000,000 Federal tax on parts, plus \$3,000,000 Federal tax on motor trucks, making, in total, a \$1,000,000,000 plus motor tax bill.

XI. Repealing the Federal gasoline tax now would bring immediate and needed tax relief to more than 23,000,000 voting taxpayers, each the constituent of some Member of Congress.

MANY ORGANIZATIONS DECLARE FOR REPEAL

Mr. President, these, among other organizations representing millions of voting taxpayers, have filed their appeal for repeal of the Federal gasoline tax:

American Motorists Association, Automobile Club of Southern California, American Farm Bureau Federation, American Petroleum Industries Committee, American Petroleum Institute, American Trucking Associations, Inc., American Automobile Association, Chamber of Commerce of the United States, Farmers' National Union, Independent Petroleum Association of America, Keystone Automobile Club, Motor and Equipment Manufacturers' Association, National Association of Motor Bus Operators, National Automobile Chamber of Commerce, National Dairy Union, National Grange, National Highway Users' Conference, National Petroleum Association, National Rural Letter Carriers' Association, and hundreds of other national, State, county, and municipal organizations.

Mr. HAYDEN. Mr. President, I rise to oppose the amendment offered by the Senator from Kansas [Mr. CAPPER]. Repeatedly, over the radio, we hear some propagandist advising the American people to write to your Senators and Congressmen to repeal the tax on gasoline. Like much of the propaganda which Senators and Representatives in Congress receive, this appeal tells less than half the truth. The whole truth is that no American who owns an automobile will object to any tax upon motor transportation if he knows that the money thus raised is to be actually expended for the construction and improvement of roads.

I am glad that this propaganda campaign has been ignored by the House of Representatives in the passage of this revenue measure. The Senate Committee on Finance, I am happy to say, has likewise remained unimpressed and recommends the continuance for another year of the 1-cent-per-gallon tax on gasoline.

There was never a more just tax than the gasoline tax, which will bring in \$151,000,000 of revenue under the terms of this bill, provided Congress expends the money for Federal aid in the construction of highways. If the funds thus raised should be diverted to other uses, then no more unjust tax could possibly be levied.

What has happened with respect to such taxation and such expenditures? Congress last year appropriated \$400,000,000 for an emergency highway construction program; and the money collected from the gasoline tax and the other taxes on motor transportation is liquidating that appropriation. I favor the retention of such taxes in this bill in order that Congress may be fully justified in carrying on an additional emergency highway program. The following table shows the items taxed and the revenue gained. The total amount for the next year is estimated to be \$247,100,000. By improvements to insure collection and without change in the rates the Finance Committee estimates that \$18,000,000 additional revenue will be produced. These are not new taxes, although, owing to administrative changes, the anticipated receipts from them are to be larger than ever.

Highway revenue items contained in table II, House committee report on revenue bill, 1934

Receipts	1933, actual	Estimated	
		1934	1935
Miscellaneous internal revenue:			
Lubricating oils.....	\$15,232,924.81	\$22,900,000	\$25,900,000
Gasoline.....	120,099,103.44	145,000,000	151,000,000
Tires and inner tubes.....	13,980,094.52	25,500,000	28,700,000
Automobile trucks.....	1,654,040.02	3,200,000	3,800,000
Other automobiles and motorcycles.....	11,573,922.08	24,300,000	34,400,000
Parts or accessories for automobiles.....	3,097,276.24	4,200,000	5,300,000
Total.....	165,637,351.11	225,100,000	247,100,000
Senate committee changes.....			18,000,000
Total.....			265,100,000

Up to date the American motorists have more than paid the cost of all appropriations for highways made by the

Congress of the United States. The original Federal-aid highway act was passed late in 1916. For the years from 1917 to March 1, 1934, collections from motor vehicles, as reported by the United States Bureau of Internal Revenue, have amounted to \$1,502,584,784.96. For the same period Federal road expenditures, according to the records of the United States Bureau of Public Roads, have totaled \$1,472,250,824.15. These are itemized by years in a tabulation which I shall print in the CONGRESSIONAL RECORD. Thus the Federal income from highway transportation sources since the establishment of Federal aid for good roads has exceeded the Federal expenditures for highways by \$30,333,960.80, placing Federal highway building on a self-sustaining basis and in a unique position among Federal public works.

Highway work, of course, has been made a part of every broad public-works program, because highway construction fills an economic need in every State. More recently the chief reason has been its great employment-providing capacity. In employment volume per dollar expended, speed of preparation of plans, flexibility and variety of character, and universal application, highway work has proven superior to all forms of public construction enterprise. Added to these facts is now the additional one that the Federal investment in highways is not an expense. The funds are collected in their entirety from highway transportation sources.

In considering this revenue bill, which extends the Federal taxes upon highway transportation items, notice should be taken that the collection of these highway dollars imposes upon Congress an obligation for continued Federal participation in the road-building program of all the States. If those who use the roads are paying for them, the users should have more and better roads.

The tabulation to which I have referred is as follows:

Comparison of Federal-aid highway expenditures and Federal tax income from motor vehicles

[Income figures from records of U.S. Bureau of Internal Revenue. Expenditure figures from records of U.S. Bureau of Public Roads]

Year	Federal-aid expenditures	Motor-vehicle tax income ¹
1917	\$34,337.85	
1918	574,816.30	\$23,981,268.35
1919	2,915,282.76	48,834,271.47
1920	20,340,774.24	143,922,792.01
1921	57,462,768.07	115,546,249.31
1922	89,946,603.64	104,433,762.75
1923	71,604,708.75	144,290,490.28
1924	80,447,823.78	158,014,709.40
1925	97,472,506.13	124,686,745.30
1926	89,362,110.64	138,155,194.80
1927	82,977,565.95	66,437,881.32
1928	82,513,833.66	\$51,628,265.96
1929	84,006,619.00	
1930	77,892,192.33	
1931	155,887,639.60	
1932	188,717,619.59	
1933	165,868,106.97	173,967,680.00
1934 ²	\$124,225,514.89	\$208,685,494.00
Total	\$1,472,250,824.15	1,502,584,784.95
Taxation credit balance		30,333,960.80

¹ Manufacturers' excise tax on automobiles, motorcycles and accessories and including for 1933 manufacturers' excise tax on gasoline, lubricating oils, tires, tubes, etc.

² 9-month period. Tax effective Oct. 4, 1917.

³ 11-month period. Tax repealed May 29, 1928.

⁴ To Mar. 1, 1934.

⁵ This total includes all regular Federal-aid expenditures plus those made from the first emergency appropriation, the second emergency appropriation (Emergency Relief and Construction Act of 1932), and the Public Works highway funds. The total expenditures from these 3 emergency funds amounted to \$230,860,543 to Mar. 1, 1934.

I can further illustrate what is now actually occurring by a brief quotation from a most excellent report recently made by Mr. Thomas H. MacDonald, Chief of the Bureau of Public Roads, to the Secretary of Agriculture. He said:

Attention is called to the self-liquidating character of highway construction. The highway user is very heavily taxed. The Bureau has in final preparation a study of the returns through taxation of the road used by the Federal, State, and local authorities. The returns to the Federal Treasury during the calendar year 1933, as reported by the Bureau of Internal Revenue, of taxes levied directly upon the road user and indirectly through sales taxes, show that the payments into the Federal Treasury totaled

\$257,217,517. At this rate the \$400,000,000 set aside for highway construction will be returned from these sources to the Federal Treasury within the period that the funds are actually paid out.

In other words, it will take nearly 2 years to expend the \$400,000,000 which was appropriated by Congress for Federal aid to highways, and within the 2 years there will have been collected, if the gasoline tax is retained, enough money to pay for the entire emergency road program. If the taxes are to be continued, the road appropriations should be continued. There is no escape from the conclusion that in order to allow ample time for the orderly preparation of plans and the starting of new projects by the States without an unwarranted halt in highway operations, it will be necessary for Congress, at this session, to make an additional highway appropriation.

Senators should keep these facts in mind:

First. That the Federal highway program, since its inception in 1916, has been paid for directly by the motoring public.

Second. That highway building offers the greatest employment advantages of all public works; and

Third. That the highway revenue items contained in this bill constitute a responsibility to the motoring public for continued Federal participation in highway building.

Highway improvement is a dynamic and continuing responsibility. Highways either grow worse or better. They cannot stand still with 25,000,000 vehicles in daily operation. The annual program of highway replacements, repairs, and maintenance must be continued on a large scale if adequate highway service is to be preserved and if there is not to be great waste in depreciation of highways which are carrying more traffic than they were designed to serve. There must also be new construction to meet new needs.

I doubt if there is a Senator present who does not realize that it is absolutely essential that Federal highway appropriations be continued. Congress appropriated the \$400,000,000 a year ago. There was considerable delay in starting the construction program, but by next summer there will actually be employed on the roads, in June and July, in highway construction, over 500,000 men. Counting a man and a half behind the man on the job, more than a million men will be benefited by the appropriation. If nothing is done in the fall, the work will diminish; and by December a million men who were at work will be again unemployed.

If the Federal highway-construction program is continued for another year, Congress should provide these taxes to pay for it. When the man who owns a passenger car or a truck knows that every cent of the tax he pays on a gallon of gasoline is to be spent on the roads, he will not object.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. HAYDEN. I yield.

Mr. LONG. The argument the Senator is making for gasoline taxes is very sound. I have advocated that in my State. The United States does not have to get its money that way. The United States can get its money by taxes on those best able to pay. Of course in the States it is a different matter, because they have no other way to get the money.

Mr. HAYDEN. The fact is that the Federal Government, as I have pointed out, has collected from the road-using public an amount of money equal to the amount it has expended on the roads and is doing so right now. I want to be sure that the Federal highway program is continued not by earmarking the appropriation directly, but the practical effect is that if Congress continues the tax, then we have an unanswerable argument in favor of the continuation of the road-construction program. I have yet to talk to any man who travels over the roads who would object to a tax if the money is expended on the roads. What has happened is that the States became desperate through the failure of their efforts to collect property taxes and have consequently robbed their gasoline-tax funds and diverted the money to other uses. By reason of such diversion to

other than highway uses, the motorist has just cause for violent protest.

Mr. FRAZIER. Mr. President—

The PRESIDING OFFICER (Mr. Byrd in the chair). Does the Senator from Arizona yield to the Senator from North Dakota?

Mr. HAYDEN. I yield.

Mr. FRAZIER. I want to ask the Senator from Arizona what is the present status of the appropriations for road building during the coming year.

Mr. HAYDEN. The present status is that the Committee on Roads of the House of Representatives has favorably reported a bill authorizing that the road program, which was provided as an emergency last summer, be repeated for another year. That committee recommends that another \$400,000,000 of Federal aid to the States be appropriated. I have good reason to believe, from contacts I have had at the other end of the Capitol, that such a program will be carried out either by the enactment of authorizing legislation or by earmarking a similar sum for similar purposes in any Public Works appropriation that shall be made. What I am asking the Senate to do is not to give any Member of either branch of the Congress an excuse to vote against or to fail to support the continuation of such a road-construction program by taking out of this revenue bill the taxes necessary to fully meet the cost of that program.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. HAYDEN. I yield.

Mr. BARKLEY. I understand the situation to be that over a number of years we have been appropriating \$75,000,000 to \$125,000,000 annually out of the Federal Treasury for cooperation with the States in the highway-building program. Last year we appropriated \$400,000,000, which was not required to be matched by the States. That was a gift by the Federal Government to the States. That \$400,000,000 amounts to nearly as much as will be collected from the gasoline tax during the next 3 years. We have, therefore, appropriated for highways, to be paid out of the Federal Treasury without being matched by the States, more than enough money to offset the gasoline tax for a period of about 2½ years.

Mr. HAYDEN. The Senator should not forget that the motorist is also taxed, as estimated in the report accompanying this bill, \$25,000,000 on lubricating oil, \$26,000,000 on tires and tubes, \$3,000,000 on trucks, and \$34,000,000 on automobiles. The total amount of money to be brought in from the several sources is \$247,000,000, of which \$151,000,000 is the gasoline tax.

Mr. BARKLEY. It takes the entire tax on gasoline and motor oils and the other items for nearly 2 years to make up enough money to match the \$400,000,000 we appropriated last year for roads.

Mr. HAYDEN. Yes; but as it will take about 2 years to spend the money, the entire sum will be liquidated by the time it is expended.

Mr. BARKLEY. If the amendment is adopted and the \$151,000,000 is eliminated, is there any assurance or any hope that we may be able to continue the road-building program, as it has been in operation during the last year or two, out of the Federal Treasury?

Mr. HAYDEN. It is quite certain that if we do not provide the revenue, the natural impulse will be to say, "Congress refused to levy the necessary taxes to carry on this work, so evidently Congress does not want it done", and consequently there will be no recommendation, through the Budget or elsewhere, for a continuation of Federal aid for highways.

Mr. BARKLEY. In other words, we propose to seek to continue the road work beyond the expenditure of the \$400,000,000 already appropriated, and I understand it is expected that a similar amount will be requested before Congress adjourns. But if we take away from the Treasury \$151,000,000 of gasoline tax that goes to the building of highways,

we certainly will have no reasonable hope that we can obtain a similar appropriation for road building in the future.

Mr. HAYDEN. The Senator is eminently correct.

Mr. CAPPER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kansas?

Mr. HAYDEN. Certainly.

Mr. CAPPER. Is there anything in the revenue bill which compels the use of the tax money from gasoline sources to be used for road-building purposes?

Mr. HAYDEN. No; there is not.

Mr. CAPPER. Then, so far as the future highway program is concerned, it makes no difference what we do here today. The Federal highway appropriation will come out of the general revenues of the Government, regardless of our action on the gasoline tax.

Mr. HAYDEN. It has rarely been the custom of Congress to designate the receipts from certain taxes for expenditure in a certain manner, but we can take into consideration the fact, particularly in this case, that we know the taxpayer will not complain if the money is used for highway construction. He will vigorously protest if it is not. It gives us the very best of arguments, as the Senator from Kentucky has so well pointed out, if the gasoline tax is continued in this bill.

Let me add another thought. What we should do is to continue the emergency road appropriation just as we did last year, carrying it for 1 year more, and at the same time we should look ahead for at least 2 years more and authorize the regular annual Federal-aid appropriation of \$125,000,000 so that the State legislatures, when they meet in their sessions, will know that the Federal Government is going to continue its established road policy and therefore will not divert the gasoline tax to other uses. So long as Congress does not lay down a definite road program which the States can rely upon for a period ahead, the State legislatures desperate as they are for revenue, will say, "We do not know what the Federal Government will do. Therefore we are justified in diverting the gasoline tax to other than highway purposes."

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Georgia?

Mr. HAYDEN. I yield.

Mr. RUSSELL. I thoroughly agree with the Senator, as he has observed, that the policy of the Federal Government in making these larger appropriations has caused State after State to divert the State gasoline tax for purposes other than road building. In the long run the roads are really having spent upon them less money for construction than they had when the Federal Government required the States to match the Federal appropriations. If this policy is continued and the Federal Government appropriates large sums by way of grants to the States, and permits the States to use their license and automobile taxes for purposes other than highway construction, it will result in the function of the building of highways becoming thoroughly and purely a Federal function, and the enormous taxes paid on gasoline and oil to the States will not be used for that purpose at all.

Mr. HAYDEN. Mr. President, the observations of the Senator from Georgia are particularly sound; and, so far as I am concerned, I would advocate a provision in any act with respect to regular Federal aid that if any State thereafter diverts its gasoline tax to other uses, such State could not obtain the benefits of the Federal grant. Congress should protect the motorist by seeing to it that the tax money he pays when he buys gasoline is expended solely on the roads.

Mr. BARKLEY. Mr. President, it seems to me that situation will be taken care of when we get by the emergency appropriations which we made for highways, and which we realized the States could not match. When we get out of the emergency and get back on the even keel of annual appropriations, we shall then do as we have always done heretofore, require the States to match that money, dollar for dollar, so that they cannot divert money from their road

funds to such an extent that they cannot match the Federal appropriations.

Mr. HAYDEN. Mr. President, we have heard much talk recently about the depression in capital-goods industries and the necessity for stimulating them. Let me tell the Senate what I think would accomplish fine results in that regard. If Congress shall lay down a highway program for 3 years ahead of time, the effect would be that instead of using old second-hand concrete mixers and other equipment that has been kept together by scrap iron and baling wire, as the contractors have been doing, many new machines would be promptly bought.

There have been practically no new purchases of road-construction equipment in the United States for the past 4 years. Why? Because neither the State that lets the contracts nor the contractor who does the work has known what to expect. If Congress authorizes and does it promptly, a highway program over the next 3 years, we shall see surprisingly large purchases of all sorts of road-making machinery.

I was recently told of a highway contractor in New England who normally charging off \$200,000 to depreciation and buying \$200,000 worth of new machinery a year was inquiring whether he should buy \$36,000 worth of equipment. He was asked, "Why do you make such a inquiry?" and his answer was "because I do not know what the future of road building is in the United States." If Congress will lay out a road program, that contractor will be back in the capital-goods market buying as he did before.

I have been told that there have not been more than about 20 new concrete mixers sold to road contractors in the whole United States during the past year for use in connection with their work. Make road building a stabilized industry, let the country know that the Congress is for good roads, that it intends to provide the funds, as in this bill, to carry out a national highway program, and the purchases of new road-building equipment will be surprising.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. But if this amendment should be adopted, and \$151,000,000 of revenue should be done away with, and thereafter no Federal money for roads should be given this year, it would be an incalculable blow to the roads of the country, would it not?

Mr. HAYDEN. There is no question about that, Mr. President.

Mr. LONG. Mr. President, I have advocated such gasoline taxes in my State for road purposes, and even for educational purposes; and I desire to state in the Record why I do not support this amendment in the Senate.

This gasoline-tax provision necessarily taxes the poor man. He must pay about 95 percent of the tax. That is also true of gasoline taxes in the States; but the gasoline tax in the States is necessary because it is the only way the States can raise money. The only way roads can be built in a State with State money is to get the money from gasoline taxes because the State has no other way of getting it.

In the Congress of the United States, however, we do not have to tax the poor. We do not have to lay a single dime of taxation on the poor man in the Congress of the United States; and we would do a good thing if we in Congress did not put a tax on candy, or a tax on gasoline, or a tax on anything that goes on the back of the poor man because we do not have to do it; and every time we do it, we add to the fact that we are permitting taxes to be avoided by those who are best able to bear them. Therefore, since I have been in Congress I have opposed the imposition by Congress of taxes of this kind that must of necessity go on the backs of the poor people.

If Congress had to raise its revenue in this manner, I should say we would have to vote it. Congress does not have to raise its revenue from sales taxes, however. Congress ought not to levy any kind or form of sales taxes on the necessities of life, such as gasoline is. While I would favor the levying of this tax by a State for road purposes, I oppose its being levied by the United States.

I desire to disillusion my friend from Arizona [Mr. HAYDEN]. He thinks he is helping the States, but he is not. The State government of Louisiana or the State government of Arizona could put a 1-cent tax on gasoline tomorrow, if it wanted to, and get this money, without having to beg Washington to send it to the State, and we could omit this tax. Even assuming that the money is sent to the States, and we have to beg to have it sent to us, and bow low and scrape the earth, as we all know, to the departments in Washington to get them to do it, they would not send Indiana or Oregon any more money than the State of Oregon or the State of Indiana would get if it levied a 1-cent tax itself.

Congress does not need to put a 1-cent tax on gasoline to give the several States any of the gasoline-tax money. If Arizona wants a revenue of 1 cent a gallon from a tax on gasoline, the Arizona Legislature can enact its own law and raise the same amount of money. We do not have to legislate to get revenue to send to a State when we are taxing something that the State itself might tax. It would be better to let the State say whether it wants to levy a 1-cent tax on gasoline to get the amount of money that it derives from that source than to have Congress levy a tax on gasoline in order that it may send it to the State.

It may be that the State of New York does not want a 1-cent gasoline tax. It may be that the people of New York would not want to have such a tax levied by their own legislature; but we here in Congress are levying a tax upon the people of New York in order to send that amount of money to the State of New York whether the New York State Legislature wants that kind of tax or not. So we are going into the field of taxation that belongs to the States, and we are levying taxes upon the little man that must be paid by the poor man, whereas that kind and form of taxes should be left entirely to be preempted by the States that have not the means that the Congress has of taxing the rich, and pulling down swollen fortunes to support the Government.

Mr. DUFFY. Mr. President, the Senator refers to the poor man paying the gasoline tax. At least the poor man would have to have an automobile in which to use gasoline if he paid part of the tax.

Mr. LONG. Oh, nearly all poor people have some kind of an old flivver. Nearly everybody in the United States, thank God, has some old kind of a one-lung automobile left. That is about all some of them have. I do not know many persons who, if they do not own machines themselves, have not brothers or brothers-in-law or somebody else who will lend them some kind of old flivver to run around with. That is about the only thing that the poor man universally has left today; and the possession of an automobile does not mean that you have anything. You can get one for \$10.

Mr. BARKLEY. Mr. President, I do not desire to consume the time of the Senate, except to make a very brief suggestion.

Of course, we are all interested in what the Senator from Louisiana calls the poor man. We have our full proportion of poor people in my State, and I am just as much interested in them as I am sure the Senator from Louisiana is in the poor people in his State. It was really to relieve some of these poor people that the \$400,000,000 road fund was created in the first place, to give employment to some of the poor people in all the States of the Union.

We all realize that when the Federal gasoline tax was levied it was levied as an absolute necessity. The Finance Committee, in an effort to balance the ordinary Budget when the tax law was imposed in 1932, had with a fine-tooth comb searched every crevice and crack and cranny in the United States to find enough money to do it. When we got through with everything else we found ourselves about \$151,000,000 shy, and it was because of that fact that the Federal gasoline tax was levied in order to make up the deficit. Subsequently we appropriated \$400,000,000 to be given to the States without any obligation on their part except to spend it for the purpose of building highways, because we wanted to give work to unemployed men in this country; and we realized that the expenditure of \$400,000,000

in building highways not only gave men work, but it brought about a permanent improvement in the construction of highways.

If I had to take my choice between spending \$400,000,000 to build highways out of the Public Treasury and spending \$400,000,000 to employ men to sweep the highways or do some of the other things that we have been compelled to do in order to tide over this winter, I should infinitely prefer to spend it in building highways, which will not be blown away by a passing wind, but are a permanent improvement.

It may be that because of the inability to collect taxes from property, and for other reasons, some of the States have diverted some of the regular road money into ordinary channels during the depression, while this \$400,000,000 was being spent out of the Federal Treasury to build highways; but that is only a temporary situation, and it has been brought about by the very same condition that made it necessary in the beginning for us to levy this tax, and to appropriate the \$400,000,000. I have no doubt that any State which has diverted any of this money will reappropriate it for public highways when we pass beyond the emergency, and get back to the normal relationship of the States and the Federal Government in building highways. I am as certain as that I am standing on the floor of the Senate that if at this time we eliminate this \$151,000,000 tax—which will be eliminated automatically on the 1st of July a year from now—we shall make it practically impossible to secure any additional funds for permanent highways and the employment of hundreds of thousands of people who are now unemployed or will be unemployed unless we continue these highway-system activities.

For that reason especially, Mr. President, I hope the amendment of the Senator from Kansas [Mr. CAPPER] will not be agreed to.

Mr. CAPPER. Mr. President, there is not one word in the bill as it comes from the Finance Committee which shows that the highway-improvement program depends in any way upon this tax on gasoline. The adoption of my amendment will not in any way interfere with the highway program to be authorized by future appropriations.

I ask for the yeas and nays upon the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kansas [Mr. CAPPER] to the amendment of the committee. Upon that the yeas and nays are demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Ashurst	Cutting	Keyes	Robinson, Ark.
Bailey	Davis	King	Robinson, Ind.
Bankhead	Dickinson	La Follette	Russell
Barbour	Duffy	Lewis	Schall
Barkley	Erickson	Logan	Sheppard
Black	Fess	Loneragan	Shipstead
Bone	Fletcher	Long	Smith
Borah	Frazier	McAdoo	Steiwer
Brown	George	McCarran	Stephens
Bulkley	Gibson	McGill	Thomas, Okla.
Bulow	Goldsborough	McKellar	Thomas, Utah
Byrd	Gore	McNary	Thompson
Byrnes	Harrison	Murphy	Townsend
Capper	Hastings	Neely	Vandenberg
Carey	Hatch	Norris	Van Nuys
Clark	Hatfield	Nye	Wagner
Connally	Hayden	O'Mahoney	Walcott
Copeland	Hebert	Patterson	Walsh
Costigan	Johnson	Reed	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CAPPER] to the committee amendment.

Mr. CAPPER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CUTTING (when his name was called). I have a pair for the day with the Senator from Florida [Mr. TRAMMELL].

Not knowing how he would vote if present, I refrain from voting.

The roll call was concluded.

Mr. LEWIS. I wish to announce that I am authorized by my colleague [Mr. DIETERICH] to say that if he were present and voting he would vote "nay."

Mr. LA FOLLETTE. I have been requested to announce the unavoidable absence of the senior Senator from South Dakota [Mr. NORBECK] and to state that if he were present he would vote "yea."

Mr. FESS (after having voted in the negative). I inquire if the senior Senator from Virginia [Mr. GLASS] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. FESS. I have a pair with the senior Senator from Virginia and am not advised as to how he would vote, if present. Therefore, I think it well to withdraw my vote.

Mr. McKELLAR. My colleague the junior Senator from Tennessee [Mr. BACHMAN] is unavoidably detained from the Senate.

Mr. LEWIS. I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I also wish to announce that the Senator from Alabama [Mr. BLACK], the Senator from New Hampshire [Mr. BROWN], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Washington [Mr. DILL], the Senator from Virginia [Mr. GLASS], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. PITTMAN], the Senator from Florida [Mr. TRAMMELL], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate on official business.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Maine [Mr. HALE] with the Senator from Montana [Mr. WHEELER];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Vermont [Mr. AUSTIN] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from Maine [Mr. WHITE] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Michigan [Mr. VANDENBERG] with the Senator from New Hampshire [Mr. BROWN].

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Barbour	Copeland	Long	Russell
Bone	Davis	McAdoo	Schall
Borah	Erickson	McGill	Steiwer
Bulow	Frazier	Nye	Thomas, Okla.
Byrd	Gore	Patterson	Walcott
Capper	Hatfield	Reed	
Carey	Kean	Reynolds	
Connally	Keyes	Robinson, Ind.	

NAYS—46

Adams	Fletcher	Lewis	Sheppard
Ashurst	George	Logan	Shipstead
Bailey	Gibson	Loneragan	Smith
Bankhead	Goldsborough	McCarran	Stephens
Barkley	Harrison	McKellar	Thomas, Utah
Bulkley	Hastings	McNary	Thompson
Byrnes	Hatch	Murphy	Townsend
Clark	Hayden	Neely	Van Nuys
Costigan	Hebert	Norris	Wagner
Couzens	Johnson	O'Mahoney	Walsh
Dickinson	King	Pope	
Duffy	La Follette	Robinson, Ark.	

NOT VOTING—21

Austin	Cutting	Metcalfe	Vandenberg
Bachman	Dieterich	Norbeck	Wheeler
Black	Dill	Overtton	White
Brown	Fess	Pittman	
Caraway	Glass	Trammell	
Coolidge	Hale	Tydings	

So Mr. CAPPER's amendment to the committee amendment was rejected.

Mr. CAPPER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 221, line 21, it is proposed to strike out the words "1 cent" and insert in lieu thereof "one half of 1 cent."

Mr. CAPPER. The reduction is one half of 1 cent. I ask for the yeas and nays on that amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kansas.

The amendment was rejected.

The VICE PRESIDENT. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

Mr. REED. Mr. President, I send an amendment to the desk, which I ask to have read.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. On page 112, line 13, it is proposed to add to section 141 (c) the following:

Provided, however, That the additional rate of 2 percent shall not apply to corporations which are common carriers by railroad, their affiliated and/or leased corporations for the years 1934, 1935, and 1936.

Mr. REED. Mr. President, I can explain the purport of this amendment in a moment. Under the bill as it stands a penalty of 2-percent additional tax is imposed upon corporations filing what is called a consolidated return, that is consolidating into a single return the income and the expenses of the whole group of affiliated companies.

A railroad under State laws is required in many cases to incorporate in each State. Thus the Southern Pacific Co. has to have the Southern Pacific Railway in Texas incorporated in Texas, and the same thing is true in several other States through which its line passes. It is not a matter of choice for the railroads, but it is a matter of imperative necessity under the State laws for them to have these subsidiary companies. It is very difficult to keep the returns of those different companies separate.

The Interstate Commerce Commission requires consolidated accounting and if the return is made in the form required by the Interstate Commerce Commission it fits right into the penalty imposed by this act.

I realize there is no use arguing against the imposition of a penalty upon the average concern adopting this method of accounting, but it seems to me that in the case of the large railroads it is unjustifiable to attach the penalty for what the State laws require them to do.

In my own State of Pennsylvania, for example, a railroad company which wants to insure a supply of water for its locomotives and which has to bring it from a distance on its line, in order to obtain power to construct its pipe line across the country has to incorporate a water company and use its powers of eminent domain in laying its pipe lines. The railroad does not have power to do that. It is imperative that they have the power, and the method I have described is the only method by which they can get it. It seems unfair to impose this penalty for doing a perfectly legitimate act which is not only permitted by the laws but required under the laws of the various States.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Idaho?

Mr. REED. I yield.

Mr. BORAH. I understand the Senator is proposing to except from this penalty, as he calls it, certain railroads?

Mr. REED. All railroads.

Mr. BORAH. For instance, the Pennsylvania Co. is a holding company.

Mr. REED. No; it is an operating company.

Mr. BORAH. It is also a holding company.

Mr. REED. It is a holding company in the sense that it owns the stock of these other companies. I know nothing much about the Pennsylvania Co. I have no interest in it. I do not represent it.

Mr. BORAH. I did not mention the Pennsylvania because the Senator from Pennsylvania was discussing the subject, but in looking up this subject I ran across, as an illustration, the Pennsylvania Railroad Co., which is a holding company, and holds the stock of a number of smaller companies.

Mr. REED. That is right.

Mr. BORAH. Now certainly that company ought not to be permitted to step from under the penalty, as we call it.

Mr. REED. I think it should, because it is required by State law to have these subsidiary companies, in many cases.

Mr. BORAH. It undoubtedly would have them if the State law did not require it, in many cases.

Mr. REED. In that case I should not propose the amendment.

Mr. BORAH. That is the difficulty with the amendment. The Senator includes in his amendment all railroads, and there are companies which are purely holding companies, and there is no necessity of them being so by reason of the State law.

Mr. REED. If the company were purely a holding company it would not have any advantage under this amendment. I have read, in this connection, of the organization of a concern called the Chesapeake Corporation, which I believe was organized to hold stock in a number of railroads, but it is not a railway company. It would not get any advantage from this amendment. I would not want it to.

Mr. BORAH. That particular company might not, but there are railroad companies which pass as railroad companies which are holding companies.

Mr. REED. In that case they would not get any benefit, if they are purely holding companies, and I would not want them to get any benefit.

Mr. BORAH. As I understand it, the Pennsylvania Co. is a railroad company, but it is also a holding company.

Mr. REED. I think it owns stock in other roads; yes.

Mr. BORAH. It owns all the stock in some of the other railroads.

Mr. REED. That is right. That is the same thing as making a common enterprise of it.

Mr. BORAH. Precisely; but I do not see why a railroad situated as that railroad is should not pay the penalty if other holding companies pay the penalty.

Mr. REED. It seems to me there is a clear distinction in the fact that the State laws require them to be holding companies. The Senator would not want to see the Southern Pacific broken up into short chunks across each State.

Mr. BORAH. No; and there is not a particle of danger of the Southern Pacific being broken up by a 2-percent penalty, because it derives too great an advantage out of the fact that it may make consolidated returns.

Mr. REED. I do not think so.

Mr. BORAH. The experts tell me that we are losing something like \$300,000,000 of taxes by reason of these consolidated returns.

Mr. REED. I think they are due, however, to receive a great disillusionment. I think this 2-percent penalty is going to do away with the business of filing of consolidated returns, and they will find we are not losing what they think we are.

Mr. BORAH. It is assumed that the 2-percent tax will possibly prevent some consolidated returns and will bring about some separate returns. But by no means, in my judgment, will it effectuate a complete change, so we will not be losing a great amount of taxes which are far more just than other taxes imposed.

Let me call the Senator's attention to something I observed in the Record today. This appears in the House debate of April 9:

Mr. McFARLANE. We find that the Bendix Aviation Corporation has saved, through the filing of consolidated returns, and in the change of income-tax laws which have been changed since the law of 1918, the sum of \$625,863.49 in money they would have been required to pay to the Government had the law not been changed and had they been required to file separate returns rather than consolidated returns.

The Curtiss-Wright Corporation saved \$101,709.31 in the same way. The North American, or the General Motors Corporation, has saved \$150,980.75. United Aircraft & Transport Corporation has saved \$854,959.29. The Aviation Corporation of America has saved \$313,454.44. These five holding corporations have saved primarily on Government contracts through the filing of consolidated returns \$2,046,967.28.

Mr. REED. Does the Senator understand, when he says the companies have saved so much in taxes, that, after all, these concerns are one consolidated enterprise? Consoli-

dated returns cannot be filed unless the parent company owns 95 percent of the stock in the subsidiary. It is all one consolidated enterprise, and if it loses in one shop, why should it not set off those losses against the profits in another shop?

Mr. BORAH. The individual corporations, in making such returns, have no such benefit.

Mr. REED. Oh, yes; I beg the Senator's pardon. Take the Atlantic & Pacific Tea Co. It has shops in all this broad land. In some of those shops it makes a profit; in others it makes a loss. It certainly subtracts the losses from the profits before it pays the tax.

Mr. BORAH. I admit that; but what I am saying is that they get that advantage because a single corporation making those returns cannot offset anything.

Mr. REED. But that is a single corporation owning a great many stores. The Senator would not want them to pay taxes on stores that make money and ignore entirely the losses they sustain in the other stores?

Mr. BORAH. My contention is that each corporation should make its separate return, and then it would be upon a level with all other corporations. These holding companies are not organized for eleemosynary purposes. They are organized for business, for gains, for profits, and they make vast gains, they make vast profits. Why should they not make separate returns?

Mr. REED. It adds very much to the accounting. I think the Senator will find when it is all over that he has abolished a practice that saves the Government a great deal of clerical work, and in the long run its abolition will not bring in a cent of additional tax.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. REED. I yield.

Mr. HARRISON. The Senator's amendment reads "that the additional rate of 2 percent shall not apply to corporations which are common carriers by railroad, their affiliated and/or leased corporations for the years", and so forth. In other words, if the United States Steel Corporation had many subsidiaries, among them being a railroad, they could file a consolidated return under the provision of the Senator's amendment and be exempt from the 2-percent tax?

Mr. REED. Not at all.

Mr. HARRISON. Or if a railroad had as a subsidiary a big hotel, or many hotels, under this provision they would be exempt from the tax. I think the Senator is going quite too far.

Mr. REED. I feel quite sure this amendment would not authorize the Steel Corporation to do what the Senator has said.

Mr. HARRISON. That is the way it reads, "affiliated or leased corporations."

Mr. REED. The Steel Corporation is not a common carrier by railway.

Mr. HARRISON. The railroad would be, but the other concerns are not.

Mr. REED. The concern that owns the railroad would not get the benefit of this provision. This applies only in case the railroad owns some other business. The railroad has to be the owner, as I interpret the amendment.

Mr. HARRISON. As I interpret it, it would have to apply to the group as the holder of the common carrier and affiliated organizations, whether railroads or what not.

Mr. REED. No; that is not intended.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania.

Mr. COUZENS. Mr. President, I do not want to take the time of the Senate to discuss the amendment of the Senator from Pennsylvania, but merely to state that the Finance Committee considered the question and declined to make an exception of the railroads. I think it was largely on the theory that it is wholly optional with the taxpayer whether he makes a consolidated return or an individual return. If the corporations do not make any money to justify the making of a consolidated return, they may be relied upon to

make individual returns; so they are not penalized by this provision unless at their own option.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment of the committee which has been passed over.

The CHIEF CLERK. On page 196, line 13, it is proposed to insert the following:

Sec. 405. Estate tax rates: (a) The last 14 paragraphs of section 401 (b) of the Revenue Act of 1932 are amended to read as follows: "§126,000 upon net estates of \$1,000,000; and upon net estates in excess of \$1,000,000 and not in excess of \$1,500,000, 20 percent in addition of such excess.

"§226,000 upon net estates of \$1,500,000; and upon net estates in excess of \$1,500,000 and not in excess of \$2,000,000, 22 percent in addition of such excess.

"§336,000 upon net estates of \$2,000,000; and upon net estates in excess of \$2,000,000 and not in excess of \$2,500,000, 25 percent in addition of such excess.

"§461,000 upon net estates of \$2,500,000; and upon net estates in excess of \$2,500,000 and not in excess of \$3,000,000, 27 percent in addition of such excess.

"§596,000 upon net estates of \$3,000,000; and upon net estates in excess of \$3,000,000 and not in excess of \$3,500,000, 30 percent in addition of such excess.

"§746,000 upon net estates of \$3,500,000; and upon net estates in excess of \$3,500,000 and not in excess of \$4,000,000, 32 percent in addition of such excess.

"§906,000 upon net estates of \$4,000,000; and upon net estates in excess of \$4,000,000 and not in excess of \$4,500,000, 35 percent in addition of such excess.

"§1,081,000 upon net estates of \$4,500,000; and upon net estates in excess of \$4,500,000 and not in excess of \$5,000,000, 37 percent in addition of such excess.

"§1,266,000 upon net estates of \$5,000,000; and upon net estates in excess of \$5,000,000 and not in excess of \$6,000,000, 40 percent in addition of such excess.

"§1,666,000 upon net estates of \$6,000,000; and upon net estates in excess of \$6,000,000 and not in excess of \$7,000,000, 42 percent in addition of such excess.

"§2,086,000 upon net estates of \$7,000,000; and upon net estates in excess of \$7,000,000 and not in excess of \$8,000,000, 44 percent in addition of such excess.

"§2,526,000 upon net estates of \$8,000,000; and upon net estates in excess of \$8,000,000 and not in excess of \$9,000,000, 46 percent in addition of such excess.

"§2,986,000 upon net estates of \$9,000,000; and upon net estates in excess of \$9,000,000 and not in excess of \$10,000,000, 48 percent in addition of such excess.

"§3,466,000 upon net estates of \$10,000,000; and upon net estates in excess of \$10,000,000, 50 percent in addition of such excess."

(b) The amendments made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act.

Sec. 406. Nondeductibility of certain transfers: Section 303 (a) (3) and section 303 (b) (3) of the Revenue Act of 1926, as amended, are amended by inserting after "individual", wherever appearing therein, a comma and the following: "and no substantial part of the activities of which is participation in partisan politics or is carrying on propaganda, or otherwise attempting, to influence legislation."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. LA FOLLETTE. Mr. President, does the Senator from Mississippi desire to have me proceed with a discussion of the estate-tax rates this evening?

Mr. HARRISON. Mr. President, I want to say to the Senator that I have read the amendment which he intends to submit, and while I have no authority to speak for the committee, yet, personally, I shall vote for his amendment and hope it may be adopted. I do not see why we cannot have a vote on it tonight.

Mr. LA FOLLETTE. Then, I offer my amendment at this time.

The VICE PRESIDENT. The Senator from Wisconsin offers an amendment in the nature of a substitute for the committee amendment, which will be stated.

The CHIEF CLERK. In lieu of the committee amendment, beginning on page 196, line 13, estate-tax rates, it is proposed to insert the following:

Sec. 404. Estate tax rates: (a) Section 401 (b) of the Revenue Act of 1932 is amended to read as follows:

"(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"Upon net estates not in excess of \$20,000, 1 percent.
 "\$200 upon net estates of \$20,000; and upon net estates in excess of \$20,000 and not in excess of \$30,000, 2 percent in addition of such excess.

"\$400 upon net estates of \$30,000; and upon net estates in excess of \$30,000 and not in excess of \$40,000, 3 percent in addition of such excess.

"\$700 upon net estates of \$40,000; and upon net estates in excess of \$40,000 and not in excess of \$50,000, 4 percent in addition of such excess.

"\$1,100 upon net estates of \$50,000; and upon net estates in excess of \$50,000 and not in excess of \$60,000, 5 percent in addition of such excess.

"\$1,600 upon net estates of \$60,000; and upon net estates in excess of \$60,000 and not in excess of \$80,000, 7 percent in addition of such excess.

"\$3,000 upon net estates of \$80,000; and upon net estates in excess of \$80,000 and not in excess of \$100,000, 9 percent in addition of such excess.

"\$4,800 upon net estates of \$100,000; and upon net estates in excess of \$100,000 and not in excess of \$200,000, 12 percent in addition of such excess.

"\$16,800 upon net estates of \$200,000; and upon net estates in excess of \$200,000 and not in excess of \$400,000, 16 percent in addition of such excess.

"\$43,800 upon net estates of \$400,000; and upon net estates in excess of \$400,000 and not in excess of \$600,000, 19 percent in addition of such excess.

"\$86,800 upon net estates of \$600,000; and upon net estates in excess of \$600,000 and not in excess of \$800,000, 22 percent in addition of such excess.

"\$130,800 upon net estates of \$800,000; and upon net estates in excess of \$800,000 and not in excess of \$1,000,000, 25 percent in addition of such excess.

"\$180,800 upon net estates of \$1,000,000; and upon net estates in excess of \$1,000,000 and not in excess of \$1,500,000, 28 percent in addition of such excess.

"\$320,800 upon net estates of \$1,500,000; and upon net estates in excess of \$1,500,000 and not in excess of \$2,000,000, 31 percent in addition of such excess.

"\$475,800 upon net estates of \$2,000,000; and upon net estates in excess of \$2,000,000 and not in excess of \$2,500,000, 34 percent in addition of such excess.

"\$645,800 upon net estates of \$2,500,000; and upon net estates in excess of \$2,500,000 and not in excess of \$3,000,000, 37 percent in addition of such excess.

"\$830,800 upon net estates of \$3,000,000; and upon net estates in excess of \$3,000,000 and not in excess of \$3,500,000, 40 percent in addition of such excess.

"\$1,030,800 upon net estates of \$3,500,000; and upon net estates in excess of \$3,500,000 and not in excess of \$4,000,000, 43 percent in addition of such excess.

"\$1,245,800 upon net estates of \$4,000,000; and upon net estates in excess of \$4,000,000 and not in excess of \$4,500,000, 46 percent in addition of such excess.

"\$1,475,800 upon net estates of \$4,500,000; and upon net estates in excess of \$4,500,000 and not in excess of \$5,000,000, 48 percent in addition of such excess.

"\$1,715,800 upon net estates of \$5,000,000; and upon net estates in excess of \$5,000,000 and not in excess of \$6,000,000, 50 percent in addition of such excess.

"\$2,215,800 upon net estates of \$6,000,000; and upon net estates in excess of \$6,000,000 and not in excess of \$7,000,000, 52 percent in addition of such excess.

"\$2,735,800 upon net estates of \$7,000,000; and upon net estates in excess of \$7,000,000 and not in excess of \$8,000,000, 54 percent in addition of such excess.

"\$3,275,800 upon net estates of \$8,000,000; and upon net estates in excess of \$8,000,000 and not in excess of \$9,000,000, 56 percent in addition of such excess.

"\$3,835,800 upon net estates of \$9,000,000; and upon net estates in excess of \$9,000,000 and not in excess of \$10,000,000, 58 percent in addition of such excess.

"\$4,415,800 upon net estates of \$10,000,000; and upon net estates in excess of \$10,000,000, 60 percent in addition of such excess."

(b) Section 401 (c) of the Revenue Act of 1932 (relating to the exemption for the purposes of the additional estate tax) is amended by striking out "\$50,000" and inserting in lieu thereof "\$40,000."

(c) Section 403 of the Revenue Act of 1932 (relating to the requirement for filing return under such additional estate tax) is amended by striking out "\$50,000" and inserting in lieu thereof "\$40,000."

(d) The amendments made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act.

Mr. HARRISON. Mr. President, I am wondering if we can get a unanimous-consent agreement to vote on the amendment tomorrow. The Senator from Wisconsin wants a roll call on his amendment I understand. I have told several Senators that we probably would not have a roll call on any controversial matter tonight. May we not agree that on the convening of the Senate tomorrow noon the vote shall be had first on this amendment?

Mr. LA FOLLETTE. I should like about 10 minutes in the morning to explain the amendment.

Mr. HARRISON. Let us agree then that tomorrow at not later than 12:30 o'clock p.m., a vote shall be taken on the amendment of the Senator from Wisconsin or any amendment that may be offered to it.

Mr. LA FOLLETTE. That is agreeable to me.

The VICE PRESIDENT. The Senator from Mississippi asks unanimous consent that tomorrow, at not later than 12:30 o'clock p.m., the Senate shall vote on the amendment of the Senator from Wisconsin and all amendments thereto. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNARY. Mr. President, I want to ask a question about the unanimous-consent agreement which was just made. The final vote is to come at not later than 12:30?

Mr. HARRISON. Yes; and it applies merely to the amendment of the Senator from Wisconsin or any amendment that may be offered thereto, dealing with estate taxes.

Mr. McNARY. Very well.

Mr. LA FOLLETTE. Mr. President, I wish to state that immediately upon the convening of the Senate tomorrow noon I shall endeavor to secure recognition to discuss my amendment.

Mr. BARKLEY. Mr. President, I send to the desk an amendment, which I offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 236, to strike out lines 11 to 15, inclusive, and insert the following:

Sec. 608. Tax on jewelry, etc.: The tax imposed by section 605 of the Revenue Act of 1932 shall not apply to articles sold by the manufacturer, producer, or importer, after the date of the enactment of this act, for less than \$25.

Mr. BARKLEY. Mr. President, this is an amendment to a provision heretofore agreed to, so I will have to ask unanimous consent that the vote be reconsidered by which the Senate agreed to that part of the committee amendment on page 236, known as "section 608, termination of tax on clocks and clock parts", lines 11 to 15, in order that I may offer this substitute.

The VICE PRESIDENT. The Senator from Kentucky asks unanimous consent that the vote by which section 608 of the committee amendment was agreed to be reconsidered. Is there objection? The Chair hears none. The question is on the substitute offered by the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I wish to state that this is a composite amendment, which I have offered after consultation with many Senators. The Senator from Massachusetts [Mr. WALSH] had intended to offer and had printed an amendment pertaining to watches and watch parts; the Senator from New York [Mr. COPELAND] was interested in marine glasses and binoculars; the Senators from Wisconsin [Mr. LA FOLLETTE and Mr. DUFFY] were interested in fountain pens and certain kinds of jewelry; and the Senator from Minnesota [Mr. SHIPSTEAD] was also interested in the tax on certain kinds of jewelry.

This is the section which, under the act of 1932, levied a 10-percent tax on all articles of jewelry, watches, clocks, fountain pens, and a miscellaneous list of items selling for more than \$3. My amendment would raise the limitation to \$25 and abolish the tax on all articles selling for less than \$25.

I understand the Senator from Mississippi is willing to accept the amendment. The entire section only brings in \$4,000,000 a year.

Mr. HARRISON. Mr. President, I may say that I have talked to several representatives of the fountain-pen producers and others using gold in the manufacture of their products. I am told that they are really losing money by virtue of the increased valuation of gold. I think it is in the interest of fairness that the amendment be adopted. Personally I have no objection to it.

Mr. LA FOLLETTE. Mr. President, the Senator from Mississippi has brought out a point which I wish to urge in

support of the amendment, namely, that the manufacturers who are using gold in the manufacture of their products have had to experience an increased cost. It seems to me, under the circumstances, that the amendment of the Senator from Kentucky is eminently justified.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk and, so that it may be in order, I ask unanimous consent to reconsider the vote whereby the amendment on page 238 was agreed to.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from Massachusetts offers an amendment to the committee amendment, which will be stated.

The CHIEF CLERK. On page 238, line 16, in the committee amendment, it is proposed to strike out "201 or 204" and insert in lieu thereof "201, 204, or 207."

Mr. WALSH. That is merely a corrective amendment. By some mistake, mutual insurance companies were not exempted from the capital-stock tax, although such companies have no capital stock. A further explanation of the amendment can be found on page 6076 of the CONGRESSIONAL RECORD.

Mr. HARRISON. Yes; that amendment is all right, Mr. President.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 5 o'clock and 10 minutes p.m.) the Senate took a recess until tomorrow, Thursday, April 12, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 11 (legislative day of Mar. 28), 1934

UNITED STATES ATTORNEYS

Alexander Murchie, of New Hampshire, to be United States attorney, district of New Hampshire, to succeed Raymond U. Smith, resigned.

Howard L. Robinson, of West Virginia, to be United States attorney, northern district of West Virginia, to succeed Arthur Arnold, term expired.

UNITED STATES MARSHALS

John B. Ponder, of Texas, to be United States marshal, eastern district of Texas, to succeed Phil E. Baer, whose term will expire April 15, 1934.

Anton J. Lukaszewicz, of Wisconsin, to be United States marshal, eastern district of Wisconsin, to succeed James N. Tittmore, term expired.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Capt. John Robin Davis Cleland, Infantry (detailed in Adjutant General's Department), with rank from July 1, 1930.

TO AIR CORPS

First Lt. Charles Franklin Born, Cavalry (detailed in Air Corps), with rank from March 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Walter King Wilson, Coast Artillery Corps, from March 26, 1934.

Lt. Col. Myron Sidney Crissy, Coast Artillery Corps, from March 26, 1934.

Lt. Col. Oscar Foley, Cavalry, from April 1, 1934.

Lt. Col. Frederick Dudley Griffith, Jr., Cavalry, from April 1, 1934.

TO BE LIEUTENANT COLONELS

Maj. Wallace Copeland Philoon, Infantry, from March 26, 1934.

Maj. Charles Bartell Meyer, Coast Artillery Corps, from March 26, 1934.

Maj. Herbert LeRoy Taylor, Infantry, from April 1, 1934.

Maj. James Rowland Hill, Quartermaster Corps, from April 1, 1934.

TO BE MAJORS

Capt. Creighton Kerr, Coast Artillery Corps, from March 26, 1934.

Capt. LeRoy Murray Edwards, Finance Department, from March 26, 1934.

Capt. John Arthur McDonald, Quartermaster Corps, from April 1, 1934.

Capt. Stephen Burdette Massey, Quartermaster Corps, from April 1, 1934.

Capt. Albert Jamerson Chappell, Quartermaster Corps, from April 1, 1934.

TO BE CAPTAINS

First Lt. Morton Howard McKinnon, Air Corps, from March 24, 1934.

First Lt. Elmer Dane Pangburn, Infantry, from March 26, 1934.

First Lt. Nathan William Thomas, Quartermaster Corps, from March 26, 1934.

First Lt. Walter Bernard Hough, Air Corps, from April 1, 1934.

First Lt. William Michael Lanagan, Air Corps, from April 1, 1934.

First Lt. George Platt Tourtellot, Air Corps, from April 1, 1934.

First Lt. George Hendricks Beverley, Air Corps, from April 1, 1934.

First Lt. Walter Kellsey Burgess, Air Corps, from April 1, 1934.

First Lt. Paul California Wilkins, Air Corps, from April 1, 1934.

First Lt. Bruno William Brooks, Quartermaster Corps, from April 1, 1934.

TO BE FIRST LIEUTENANTS

Second Lt. Thomas Joseph Brennan, Jr., Cavalry, from March 24, 1934.

Second Lt. Robert Loyal Easton, Air Corps, from March 26, 1934.

Second Lt. Elmer Briant Thayer, Field Artillery, from March 26, 1934.

Second Lt. James Stewart Neary, Field Artillery, from March 31, 1934.

Second Lt. John Benjamin Allen, Signal Corps, from April 1, 1934.

Second Lt. Norris Brown Harbold, Air Corps, from April 1, 1934.

Second Lt. John Cogswell Oakes, Field Artillery, from April 1, 1934.

Second Lt. Leslie George Ross, Coast Artillery Corps, from April 1, 1934.

Second Lt. George Raymond Bienfang, Air Corps, from April 1, 1934.

Second Lt. Roger Woodhull Goldsmith, Field Artillery, from April 1, 1934.

Second Lt. Russell Alger Wilson, Air Corps, from April 1, 1934.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 11, 1934

The House met at 12 o'clock noon.

The Reverend G. E. Jones, pastor of the First Presbyterian Church, Noblesville, Ind., offered the following prayer:

Our Heavenly Father, we approach Thy throne. We desire to express our gratitude unto Thee for all the blessings bestowed upon us. We thank Thee for every expression of Thy love and for every manifestation of Thy grace. We pray Thee that we may use them all for the furtherance of Thy kingdom. We thank Thee for our country. Bless, we pray Thee, our President, his counselors, and all those in authority. We realize our dependence upon Thee. Help us to rely upon Thee as we ought. We pray, our Heavenly Father, to give all our counselors the wisdom that is from above, which is first pure, then peaceable, gentle, easy to be entreated, full of mercy and of good works, without partiality and without hypocrisy. Give all the people of this land the grace not to worry our legislators with their selfish ambitions, and not to frown upon them, criticize or crucify them when they speak and act contrary to such selfish desires.

Help us, our Heavenly Father, to remember that man is the greatest creature on earth; that the greatest thing in man is mind; that the greatest thing in mind is love; that the greatest thing in love is service; that the greatest thing in service is sacrifice; and the sacrifice which is needed in the universe today is that which finds the source of its power in the Cross of Calvary and in the glory of the enthroned King of Kings and Savior of the world, in whose name we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

RENOMINATION OF THE SPEAKER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I have asked for this time in order to extend the congratulations of the entire membership of the House upon the magnificent victory which was given you in the Democratic primary on yesterday, when you were renominated for Congress. [Applause, the Members rising.] They tell me that the number of Democrats who voted for you in your district, and I hope many Republicans who have now seen the light of day, was so numerous that they are still counting the votes. [Laughter and applause.]

This was a deserved tribute, Mr. Speaker, a tribute paid by those who know you best for the long, able, and splendid service you have rendered throughout your career in Congress, and one which, I am sure, forecasts equally certain success in the election next November. [Applause.] While the tribute was to you and belongs to you, let me say that I think the administration is entitled to share, at least in some part, in the congratulations because of this approval of your intense loyalty in putting over the measures proposed by the President in the effort, which I believe has been a successful one, to relieve the country from the distressed conditions under which it has labored during the past three or four years.

Mr. Speaker, I know there is nothing sweeter to a man than to be thus honored by his friends; and when he has been honored, as you have been honored, in such a splendid way, it is the crowning glory and achievement of a great and splendid career in service to your beloved country. [Applause.]

DISTRICT OF COLUMBIA APPROPRIATION BILL—1935

Mr. BLANTON. Mr. Speaker, in the enforced absence of the gentleman from Missouri [Mr. CANNON], the chairman

of the subcommittee, on account of an accident, by direction of the Committee on Appropriations, I present a privileged report on the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes (Rept. No. 1195).

The bill was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed. Mr. DITTER reserved all points of order on the bill.

DIGEST OF VETERANS' LEGISLATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a digest of the veterans' legislation recently passed by the Congress, showing the effect of that law on World War veterans. This digest was worked out by the legislative representative of the Disabled Veterans of the World War, and I thought it would be of interest and of benefit to the Members who have so many inquiries to answer.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following digest of the veterans' legislation recently passed by the Congress showing the effect of that law on World War veterans. This digest was worked out by the legislative representative of the Disabled American Veterans of the World War, and I thought it would be of interest and of benefit to the Members who have so many inquiries to answer.

LEGISLATIVE DEPARTMENT,
DISABLED AMERICAN VETERANS,
Washington, D.C., March 31, 1934.

Special legislative bulletin

The following is a general digest of Public, No. 141, Seventy-third Congress, amending veterans' laws, so far as they concern World War men:

1. There are no retroactive payments beyond March 28, 1934, under any provision.
2. All rates of pay under the old World War Veterans' Act, exclusive of presumptives, but including statutory compensation for the loss of the use of both eyes, double amputations, etc., are reenacted.
3. The usual prohibition against payment to misconduct cases and post-armistice enlistments do not prevail in the cases of the totally blind.
4. At a rate of 75 percent of the amount being received when the Economy Act was enacted, there will be restored all presumptive cases, as they stood March 19, 1933, except for the post-armistice enlistments, where there is clear and unmistakable evidence that the disability occurred before or after service unless aggravation was shown and to persons whose service connection was granted through fraud, error, or misrepresentation.
5. All those who entered World War service before November 11, 1918, and in whose service-connected cases there is no misconduct and where there is no fraud, misrepresentation, or error, are restored to their previous rates of payments, except unmarried hospitalized men.
6. There is a return to the rating table in effect March 19, 1933, for the rating of all present and future compensation cases.
7. There is prohibition against reduction or discontinuance to widows, orphans, or dependent parents who were receiving benefits March 19, 1933.
8. There is a provision that any veteran who will sign a certificate that he is unable to meet the expense will receive hospitalization and transportation to and from the hospital for non-service-connected disability, disease, or defect within the limitations of the Veterans' Administration facilities, for those not dishonorably discharged.
9. The limitations as to receipt of joint pension and salary while employed by the Federal Government will not apply to World War cases.
10. The provision for reduction for compensable persons outside the continental United States is eliminated.
11. Provision is made at the usual rates for those disabled as a result of vocational training, hospitalization, or medical treatment.
12. The provision barring those eligible for benefits from participating in decisions on applications of other veterans for benefits is eliminated.
13. All monetary benefits for service-connected cases are referred to as "compensation" rather than "pension."
14. The Veterans' Administration is authorized to pay insurance benefits in the case where the maturity of a contract had been determined prior to March 20, 1933.

It is estimated that approximately 330,000 World War men will be affected by this legislation, the annual increased cost of which is estimated at \$83,000,000, and the Veterans' Administration expects to forward checks to veterans under the revisions on May 1.

THOMAS KIRBY,
National Legislative Chairman.

PUBLIC GRAZING LANDS

The SPEAKER. The unfinished business is the vote on the passage of the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

The question was taken; and Mr. ENGLEBRIGHT demanded a division.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 265, nays 92, not voting 73, as follows:

[Roll No. 125]
YEAS—265

Abernethy	Dockweiler	Kopplemann	Richardson
Adams	Doughton	Kramer	Robertson
Arnold	Douglass	Lambeth	Robinson
Auf der Heide	Doxey	Lamneck	Rogers, N.H.
Ayers, Mont.	Drewry	Lanham	Rogers, Okla.
Ayres, Kans.	Driver	Lanzetta	Romjue
Bailey	Duffey	Larrabee	Rudd
Beiter	Dunn	Lea, Calif.	Ruffin
Biermann	Durgan, Ind.	Lee, Mo.	Sadowski
Bland	Eagle	Lehr	Sanders
Blanton	Edmiston	Lemke	Sandlin
Bloom	Elcher	Lesinski	Schuetz
Boehne	Ellenbogen	Lewis, Colo.	Schulte
Boland	Ellzey, Miss.	Lindsay	Sears
Boylan	Faddis	Lloyd	Secrest
Brennan	Farley	Lozier	Shannon
Brown, Ga.	Fernandez	Ludlow	Shoemaker
Brown, Ky.	Fiesinger	Lundeen	Sinclair
Brown, Mich.	Fitzpatrick	McCarthy	Sirovich
Brunner	Flannagan	McClintic	Sisson
Buchanan	Fletcher	McCormack	Smith, Va.
Bulwinkle	Ford	McDuffie	Smith, Wash.
Burch	Foulkes	McFarlane	Smith, W.Va.
Burke, Nebr.	Frey	McGrath	Snyder
Busby	Fuller	McKeown	Spence
Byrns	Fulmer	McMillan	Steagall
Cady	Gambrill	McReynolds	Strong, Tex.
Caldwell	Gasque	McSwain	Stubbs
Cannon, Wis.	Gavagan	Maloney, Conn.	Studley
Carden, Ky.	Gillette	Maloney, La.	Summers, Tex.
Carmichael	Glover	Mansfield	Sutphin
Carpenter, Kans.	Goldsborough	Marland	Swank
Cartwright	Granfield	Martin, Colo.	Sweeney
Castellow	Gray	Martin, Oreg.	Tarver
Chapman	Green	May	Taylor, Colo.
Chavez	Greenwood	Mead	Terry, Ark.
Christianson	Gregory	Meeks	Thom
Claiborne	Griswold	Miller	Thomason
Clark, N.C.	Hamilton	Milligan	Thompson, Ill.
Cochran, Mo.	Hancock, N.C.	Mitchell	Thompson, Tex.
Coffin	Harlan	Monaghan, Mont.	Truax
Colden	Harter	Montague	Turner
Cole	Hastings	Montet	Umstead
Collins, Miss.	Healey	Moran	Utterback
Colmer	Henney	Morehead	Wallgren
Condon	Hildebrandt	Murdock	Walter
Cooper, Tenn.	Hill, Ala.	Musselwhite	Warren
Corning	Hill, Samuel B.	Norton	Wearin
Cox	Hoeppel	O'Connell	Weaver
Cravens	Holdale	O'Connor	Weideman
Cross, Tex.	Howard	Oliver, N.Y.	Welch
Crosser, Ohio	Huddleston	Owen	Werner
Crowe	Hughes	Palmisano	West, Ohio
Crump	Jacobsen	Parker	West, Tex.
Cullen	Jenckes, Ind.	Parks	Whittington
Cummings	Johnson, Okla.	Parsons	Wilcox
Darden	Johnson, Tex.	Patman	Willford
Dear	Johnson, W.Va.	Peterson	Williams
Deen	Jones	Pettengill	Wilson
Delaney	Kee	Peyser	Wood, Ga.
DeRouen	Keller	Pierce	Wood, Mo.
Dickstein	Kennedy, N.Y.	Polk	Woodrum
Dies	Kennedy	Ramsay	Young
Dingell	Kerr	Randolph	Zioncheck
Dirksen	Kieberg	Rankin	
Disney	Kloeb	Rayburn	
Dobbins	Kniffin	Reilly	

NAYS—92

Andrew, Mass.	Bakewell	Britten	Celler
Andrews, N.Y.	Beedy	Brumm	Chase
Arens	Blanchard	Burnham	Church
Bacharach	Bolleau	Carter, Calif.	Clarke, N.Y.
Bacon	Bolton	Carter, Wyo.	Collins, Calif.

Cooper, Ohio	Hancock, N.Y.	Mapes	Taber
Culkin	Hartley	Martin, Mass.	Terrell, Tex.
Ditter	Higgins	Merritt	Thomas
Dondoro	Hollister	Millard	Thurston
Dowell	Holmes	Mott	Tinkham
Eaton	Hope	O'Malley	Tobey
Eltse, Calif.	James	Peavey	Traeger
Englebright	Jenkins, Ohio	Plumley	Treadway
Evans	Kahn	Ransley	Turpin
Fish	Kelly, Pa.	Reed, N.Y.	Wadsworth
Focht	Kinzer	Rich	White
Foss	Kvale	Rogers, Mass.	Whitley
Frear	Lambertson	Scrugham	Wigglesworth
Gilchrist	Luce	Seger	Withrow
Goodwin	McFadden	Shallenberger	Wolcott
Goss	McGugin	Stokes	Wolfenden
Greenway	McLean	Strong, Pa.	Wolverton
Guyer	McLeod	Swick	Woodruff

NOT VOTING—73

Adair	Connery	Jeffers	Reece
Allen	Connolly	Johnson, Minn.	Reid, Ill.
Allgood	Crosby	Kelly, Ill.	Richards
Bankhead	Crowther	Kennedy, Md.	Sabath
Beam	Darrow	Knutson	Schaefer
Beck	De Priest	Kocialkowski	Simpson
Berlin	Dickinson	Kurtz	Snell
Black	Doutrich	Lehlbach	Somers, N.Y.
Brooks	Duncan, Mo.	Lewis, Md.	Stalker
Browning	Edmonds	Marshall	Sullivan
Buck	Fitzgibbons	Moynihan, Ill.	Taylor, S.C.
Buckbee	Gifford	Muldowney	Taylor, Tenn.
Burke, Calif.	Gillespie	Nesbit	Underwood
Cannon, Mo.	Griffin	O'Brien	Vinson, Ga.
Carley, N.Y.	Haines	Oliver, Ala.	Vinson, Ky.
Carpenter, Nebr.	Hart	Perkins	Waldron
Cary	Hess	Powers	
Cavichia	Hill, Knute	Prall	
Cochran, Pa.	Imhoff	Ramspeck	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Schaefer (for) with Mr. Darrow (against).
Mr. Berlin (for) with Mr. Buck (against).
Mr. Kelly of Illinois (for) with Mr. Powers (against).
Mr. Beam (for) with Mr. Hess (against).
Mr. Adair (for) with Mr. Muldowney (against).
Mr. Sabath (for) with Mr. Doutrich (against).
Mr. O'Brien (for) with Mr. Connolly (against).

Until further notice:

Mr. Bankhead with Mr. Snell.
Mr. Oliver of Alabama with Mr. Lehlbach.
Mr. Connery with Mr. Beck.
Mr. Prall with Mr. Gifford.
Mr. Vinson of Kentucky with Mr. Knutson.
Mr. Underwood with Mr. Waldron.
Mr. Jeffers with Mr. Perkins.
Mr. Vinson of Georgia with Mr. Kurtz.
Mr. Hart with Mr. Allen.
Mr. Griffin with Mr. Cavichia.
Mr. Lewis of Maryland with Mr. Edmonds.
Mr. Somers of New York with Mr. Buckbee.
Mr. Sullivan with Mr. Simpson.
Mr. Taylor of South Carolina with Mr. Marshall.
Mr. Browning with Mr. Reid of Illinois.
Mr. Black with Mr. Stalker.
Mr. Cannon of Missouri with Mr. Crowther.
Mr. Carley with Mr. Taylor of Tennessee.
Mr. Dickinson with Mr. Moynihan of Illinois.
Mr. Cary with Mr. Reece.
Mr. Ramspeck with Mr. Culkin.
Mr. Kennedy of Maryland with Mr. Cochran of Pennsylvania.
Mr. Haines with Mr. Johnson of Minnesota.
Mr. Richards with Mr. Duncan of Missouri.
Mr. Allgood with Mr. Imhoff.
Mr. Brooks with Mr. Gillespie.
Mr. Burke of California with Mr. Fitzgibbons.
Mr. Carpenter of Nebraska with Mr. Knute Hill.
Mr. Crosby with Mr. Kocialkowski.

The result of the vote was announced as above recorded.

On motion of Mr. TAYLOR of Colorado, a motion to reconsider the vote whereby the bill was passed was laid on the table.

THE PRIVATE CALENDAR

Mr. BYRNS. Mr. Speaker, the gentleman from Missouri [Mr. CANNON] suffered an unfortunate accident the other day. He is chairman of the subcommittee that has in charge the District of Columbia appropriation bill. That bill has been reported by the gentleman from Texas [Mr. BLANTON], but he and other members of the committee are very anxious that Mr. CANNON should be here during the consideration of that bill. Therefore the District appropriation bill will not be taken up today as expected. If Mr. CANNON returns tomorrow it may be taken up at that time.

For that reason I wish to submit this unanimous request, that we proceed today with the consideration of bills unobjected to on the Private Calendar.

And in connection with that request, I will state that if that is done, unless the House wishes otherwise, I see no reason for a night session. If the appropriation bill is not taken up tomorrow, I will then submit a unanimous-consent request that we proceed with the calling of the Private Calendar tomorrow.

Mr. DITTER. Reserving the right to object, might we not have general debate tomorrow on the District of Columbia appropriation bill in the absence of Mr. CANNON?

Mr. BYRNS. I think it is the disposition of the committee to wait until Mr. CANNON returns. But that is a matter that will be left to the Appropriations Committee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, the gentleman's proposition is to begin at the star?

Mr. BYRNS. That is understood.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I want to submit another unanimous-consent request. There are six jurisdictional bills on the Private Calendar which have been passed by the Senate. Those interested in those bills are anxious that they should be called and disposed of. I assume that because they are jurisdictional bills it will take but a few moments to consider them. I ask unanimous consent that these bills be first called.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object at this time, for the reason that the committee has not had time to examine the bills. The gentleman can renew his request later in the afternoon, but at the present time I object.

BUFFALO AND FORT ERIE PUBLIC BRIDGE AUTHORITY

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 315, granting consent of Congress to an agreement or compact entered into by the State of New York with the Dominion of Canada for the establishment of the Buffalo and Fort Erie Public Bridge Authority, with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, N.Y., and the village of Fort Erie, Canada.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Has this joint resolution the unanimous support of the committee?

Mr. McREYNOLDS. Yes.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, this will not cost the Government of the United States anything?

Mr. McREYNOLDS. Nothing.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the consent of the Congress of the United States be, and it is hereby, given to the State of New York to enter into the agreement or compact with the Dominion of Canada set forth in chapter 824 of the Laws of New York, 1933, and an act respecting the Buffalo and Fort Erie Public Bridge Authority passed at the fifth session, Seventeenth Parliament, Dominion of Canada (24 George V 1934), assented to March 28, 1934, for the establishment of the Buffalo and Fort Erie Public Bridge Authority as a municipal corporate instrumentality of said State and with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, in the State of New York, and the village of Fort Erie, in the Dominion of Canada.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion by Mr. McREYNOLDS to reconsider the vote whereby the joint resolution was passed was laid on the table.

EMPLOYMENT OF COUNSEL IN UNITED STATES V. WEIRTON STEEL CO.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3209)

limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in the case of the United States of America against Weirton Steel Co. and other cases, and consider the same at this time, a similar House bill (H.R. 8883) having been favorably reported from the Committee on the Judiciary.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. What is this bill?

Mr. SUMNERS of Texas. This is a request made by the Department of Justice, so that the services of the gentleman mentioned in the bill may be had in the prosecution of the case against the Weirton Steel Co.

Mr. MARTIN of Massachusetts. And it has the unanimous report of the committee?

Mr. SUMNERS of Texas. Yes.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, further reserving the right to object, is this the bill that was objected to at the last session when the Private Calendar was considered, which provides for the employment of certain attorneys by the Department of Justice?

Mr. SUMNERS of Texas. Yes; and I understand that it has been explained to the gentleman.

Mr. TRUAX. That is true. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U.S.C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes of the United States (U.S.C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors to be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of the case of United States of America v. Weirton Steel Co., and/or any other case or cases, civil or criminal, involving said company, its officers or agents, arising under the National Industrial Recovery Act or any code of fair competition adopted pursuant thereto.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8883) was laid on the table.

DEPOSITS IN CLOSED BANKS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. What does the gentleman want to talk about?

Mr. ELLENBOGEN. About statistics in respect to deposits in closed banks.

Mr. MARTIN of Massachusetts. And the gentleman will not require any more time than that?

Mr. ELLENBOGEN. No.

Mr. MARTIN of Massachusetts. We are anxious to get on with the consideration of the Private Calendar.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the House at this session is considering and will consider legislation concerning the banking structure of this country. I believe the House should have all of the information before it that it can possibly have. I have before me the Federal Reserve Bulletin of July 1933, which contains statistics giving classes of depositors in 5,500 Federal Reserve member banks, according to the amount of their deposits. These statistics relate to 30,500,000 depositors. The total deposits amount to \$23,500,000,000. They show that in May 1933 deposits of \$2,500 and less were held by 96½ percent of the depositors. That is to say, 96½ percent of the depositors had deposits in these banks of \$2,500 or less, but those 96½ percent of de-

positors had deposits totaling only 23.7 percent of the total amount of deposits. The remaining 3½ percent of the depositors owned 76 percent of the total deposits. It will be of interest to learn that out of the 30,500,000 depositors, less than 50,000 had deposits exceeding \$50,000, but their total deposits amounted to 44.6 percent of all deposits. Depositors in excess of \$50,000 amounted to 0.1 of 1 percent in number, but their deposits totaled 44.6 percent of all deposits.

I shall now list in full the data which I have been discussing. It relates to all licensed banks who on May 13, 1933, were part of the Federal Reserve System. These statistics, as far as they relate to national banks, were compiled by the Comptroller of the Currency, and, as far as they relate to member banks, they were compiled by the Federal Reserve Board. The total number of accounts involved in these banks is 30,556,105, and the total amount is \$23,542,307,000. The data is summarized in the following table, which is taken from the Federal Reserve Bulletin dated July 19, 1933, page 414.

Licensed member banks (5,500 banks)—Number of deposit accounts, by size of account, May 13, 1933

Size group	Number of accounts	Amount of deposits	Percentage distribution		Average size of accounts
			Number of accounts	Total deposits	
Deposit accounts of—					
\$2,500 or less.....	29,482,384	\$5,580,327,000	96.5	23.7	\$189
\$2,501 to \$5,000.....	569,833	1,912,132,000	1.9	8.1	3,356
\$5,001 to \$10,000.....	269,908	1,840,791,000	.9	7.8	6,820
\$10,001 to \$50,000.....	187,115	3,720,403,000	.6	15.8	19,883
Over \$50,000.....	46,870	10,488,654,000	.1	44.6	223,782
Total (5,500 banks).....	30,556,105	23,542,307,000	100.0	100.0	770

I want to repeat that 96½ percent of these accounts were in amounts of \$2,500 or less, and that the average account of this class was \$189.

I call particular attention to these statistics because I believe they will be of interest in connection with legislation that we are now considering or will consider during this session.

Mr. Speaker, I am in hearty sympathy with the idea of taking care of the small depositors, but I believe we should consider the matter very carefully before we decide that the Treasury of the United States should pay in full big depositors in closed banks. In many cases such deposits amount to millions of dollars. For instance, the account of the Ford Motor Co. in the closed banks in Michigan amounted to \$32,500,000.

I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

FIRE SUFFERERS OF MINNESOTA

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent to extend my remarks upon the fire sufferers' bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOIDALE. Mr. Speaker, at the point where the western extremity of Lake Superior pierces like an arrowhead into the eastern boundary of my home State of Minnesota lies that gem city of the North, which was, some years ago, in a speech made upon this floor by Proctor Knott, baptized the "Zenith City of the Unsalted Sea."

A short distance to the north, not far from the Canadian boundary, lie the Missabe and Vermillion iron ranges—the greatest producers of iron and steel in the world.

To the west and northeast of Duluth the land is of a gently rolling topography, covered, except where clearings have been made, by second-growth timber and underbrush.

If during the days of the World War, you had motored through this vast northeastern section of Minnesota, following winding roads among our "10,000 lakes," a veritable paradise of outdoor recreation, your interest would have

been attracted to the promising and homey little farmsteads, hewn by industrious and thrifty hands out of a forest wilderness—little huts here and there in bright open clearings—huts, but nevertheless homes that sheltered the families and everything that these sturdy pioneers held dear. These clearings and small farms gave expression to the ambition, the industry, and the determination of a poor but hopeful people struggling against adverse conditions to give their children a place in the sun.

Cloquet, a city of some 8,000 people, was the largest town in this settlement in the north. In this city were several wood-products factories in which many of the settlers worked and to which many of them sold timber cut from their homesteads.

The World War was drawing to a close. The railroads were managed and controlled by the Director General of Railroads, and the Government was liable to the same extent and in the same way as the railroads would have been liable under private management.

On the morning of October 12, 1918, the sun arose out of the waters of Lake Superior in a clear sky. It was one of those beautiful October days for which the Arrowhead country of Minnesota is famous. The frosts of early autumn had turned the foliage of a great variety of trees and shrubbery into a riot of beautiful colors. The falling leaves sailed to the ground in the gentle morning breeze. The smoking chimneys belching from the factories at Cloquet gave evidence of war-day activity. In the surrounding countryside farm work was rushed in anticipation of the approaching winter, while children on their way to school, with books and dinner pails in their hands whistled, laughed, and played with the falling leaves. And that was the last happy day those people have seen.

Before sundown of that day the deep, keen sorrow that follows death and total destruction fell upon this ill-fated community.

Let me tell you the story briefly.

By noon the gentle breeze of the morning had increased to a velocity of 25 miles an hour.

The official report of the Director of the Railroads, made to the Government, says:

In October 1918 a most devastating fire occurred in the forest regions of Minnesota. Roughly speaking, some 1,500 square miles of territory was burned over; 4,000 homes and 5,000 barns were burned, and a number of good-sized towns wholly destroyed, including the town of Cloquet, with a population of some 12,000 people; 450 people lost their lives, and some 2,000 people received personal injuries sufficient to require medical attention.

Here, in the cold and direct words of the Director of the Railroads, is the story of the most devastating and heart-rending calamity that has come to my State and my people. We must draw heavily upon our imagination in order to picture to ourselves this cruel tragedy—4,000 homes scattered over a countryside approximately 30 miles square, including also several small villages; 450 charred bodies of men, women, and children; and among them many of those who in the morning hour had laughed and played on their way to school.

Two thousand maimed and injured in the brave fight they made to save human lives.

That night the dying embers of ruined homes were all that remained of a community that in the morning was pulsating with the activities of a happy people.

Broadly speaking, I have drawn this meager and inadequate picture of a frightful calamity in order that you may understand the extent of the damages suffered.

It must be conceded that whoever was to blame for this terrible catastrophe had a heavy burden to bear. The least that could be expected would be payment in full of the property loss suffered. Where loss has been inflicted upon one person by reason of the alleged fault of another, two things must be proved as a basis for recovery: First, who caused the damage; and second, the amount of the damage.

These two things, so far as the argument here is concerned, have been definitely and absolutely determined. Seven test cases scattered throughout the burned area were tried. Four of these cases were appealed to the Supreme

Court and decided against the railroad. The question of responsibility was fixed, absolutely and conclusively. There is no question as to liability.

I quote from the report on this claim:

At any rate, the testimony clearly indicates that the responsibility and legal liability of the United States Railroad Administration was settled by the courts and is not an issue so far as the merits of this bill are concerned. Any attempt to try to raise that issue is simply an attempt to say that the courts were wrong and, as Judge Dancer pointed out, under the law, the Government was bound by the decision of the courts.

The amount of the damages has been determined and is equally well settled. Nothing could be more definite and accurate because the exact amounts have been ascertained either through law suits or by agreements.

All the claims here made rest upon judgments entered in court, or upon agreements entered into in writing between the attorneys for the railroads and the claimants. After checking and rechecking, the attorneys for the railroad had beat down the amount claimed and then 50 percent was paid upon the amount so beaten down. This was not a compromise payment. It was an arbitrary payment of half the amount arrived at by compromise. Judgment was entered upon each and every claim and a percentage—40 percent in claims over \$25,000 and 50 percent in claims under \$25,000—was paid. The balance remains unpaid but the poverty-stricken settlers were forced, in order to get something, to acknowledge payment in full.

I now come to the question of the settlement made by the claimants. We must bear in mind that seven test cases were tried. Some of the test cases mentioned were tried before juries, but as an additional and different test the Railroad Administration and the settlers stipulated that the Peterson case should be tried before five judges sitting not only as a court but also as a jury to determine the facts. They also stipulated in writing that the decision in this case should govern and control 278 other cases in the city of Cloquet.

While these cases were in progress, the attorneys for the Railroad Administration repeatedly stated that if the courts held the Government liable, payment would be made in full. If the Government was not liable, they would not pay a cent. In other words, they would not compromise. They would pay all or nothing.

I read from the report, on page 2:

The testimony of the fire sufferers showed that before the litigation, which was protracted and expensive, the Government indicated that it would either pay all or none of the damage; that if the courts held the Government liable, it would pay in full; that if the courts held the Government was not responsible, it would not pay a cent. Not until after the court decisions favorable to the fire sufferers did the Director General indicate any willingness to compromise or pay part of the losses. The Director General refused to follow the Minnesota courts or their decisions. He was arbitrary. The fire sufferers were destitute. They faced the possibility of years of litigation and were forced to accept what the Director General was willing to pay and execute such papers as he required. The committee in the Seventy-first Congress felt that such action was unfair, and not binding on the claimants, after hearing the witnesses and the testimony. Congress is the only place where the claimants can come for redress, due to the releases, etc. As was pointed out by Congressman PEAVEY in his testimony (p. 11 of hearings), Congress does not pass upon claims where the claimant has a legal obligation he can enforce against the Government.

From Senate report, page 3, I read this sentence:

Claimants were told when the cases were being tried that if they were successful, they would be paid in full; that if they lost, they would not be paid one cent.

Mr. Baldwin, the Minnesota attorney for the Railroad Administration, said this to Judge Cant when the judge suggested a compromise of all the cases:

Judge Cant, we are entitled to a decision in this case. The Government demands a decision. If we are liable, we will pay every dollar we owe. The Government is not a Jew proposition. We will pay the people 100 cents on the dollar if we lose. If we win, we will not pay one cent. But we are entitled to a decision, and we demand it.

Let me say, by the way, that Judge Cant was one of the great and outstanding judges of the West. Shortly after he

made the decision in the fire cases he was made a Federal judge and served with great distinction until his death.

One of the witnesses before the Committee on Claims said this:

Our understanding was that if we won the Cloquet (Peterson) case, our troubles were over and the Government would come in and settle the whole thing, would pay 100 percent—

Just as they had proposed to do.

But what happened? The Cloquet case was won. All the cases scattered throughout the devastated district were won. The Cloquet case went to the Supreme Court. Judgment was entered for the sum of \$30,000. Nothing could be realized upon an execution. There was nothing upon which the sheriff could levy. The law specifically provided that the railway properties were not subject to execution or levy.

The law also provided this, in section 206:

Final judgments, decrees, and awards in actions, suits, proceedings, or reparation claims of the character above described rendered against the agent designated by the President under subdivision (a) "shall be promptly paid out of the revolving fund."

But instead of paying according to understanding had before the trials were finished, the attorneys for the Railroad Administration now reversed their attitude. Here is the record:

Three judgments were entered, and when the decisions were affirmed in the Supreme Court in July 1921 we asked the Government to pay those judgments. Mr. Davis absolutely refused to pay them. Although we had tried the case three times and had entered judgment for costs and interest, he absolutely refused to pay. The demand for payment of the Cloquet judgments was not later than August 11, 1921 (p. 118 of hearings).

Mr. CHRISTGAU. What reason did he state for the refusal?

Mr. ARNOLD. He did not give any reason. He said he would not pay them, and never has paid them. Not only that, but the day after the decision of the five judges, to wit, on the 17th day of September 1920, the Railroad Administration attorneys announced that thereafter there would be no more grouping of cases; that we would have to try each case separately to a jury or get no results; they would not take any more cases before the judges; that they were all through with the trial of group cases before the judges.

Mr. Davis knew that it would take about 6 weeks to try each case. He knew that if all the judges in the State of Minnesota were employed in the trial of cases then pending, it would take 10 years to dispose of the cases. He knew that the five judges in the district could not finish the cases in two generations. He knew he had these helpless, shattered human wrecks up against a stone wall. They were at his mercy. He was a dictator whose terms could not be modified or questioned.

And this is what he said to those who so recently had buried 500 of their children, their kin, and their neighbors: "You have your choice between taking 50 cents on the dollar of your actual loss or trying these cases one by one through endless time."

Let me quote the record:

Mr. DAVIS. I have to assume the responsibility of this, and I do so very cheerfully. I have always understood this—that this was the theory—I made that proposition and it was final; they could take it or leave it, but they were not deprived of any legal right.

Mr. HOLLISTER. I have always considered this the rankest kind of coercion.

Mr. DAVIS. In what way?

Mr. HOLLISTER. The proposition you made that the claimants could take your offer or leave it, which left them only the opportunity to try the cases one after another, which would have taken years and years. Moreover, there was no way to collect the judgment when we got one, except through good "Santa Claus" Davis.

Mr. DAVIS. There was nothing except the written proposition I made.

Mr. HOLLISTER. You told us that was final, and we could take it or leave it. If we had to go into court with these little cases, of which there were hundreds and hundreds, it would have cost more than the alternative.

There is your stone wall. There is the picture of ruthless power upon the one side and helpless lack of resistance upon the other.

These people—the fire sufferers and the Director of Railroads—were not dealing with each other at arm's length—they were not standing upon the same level. One had the

power and used it, the other had nothing but weakness—no choice but to submit.

Yes; there was a settlement—but what kind of a settlement?

If you owed me \$1,000 on a promissory note and had the money to pay me with and I went to you and asked you for payment, explaining that I was in dire need, that my child was sick, and that I must have the money and could get it nowhere else—if under these circumstances you offered me \$500 and no more, take it or leave it, and I took the money because I could not bear to see my child suffer, would that be a settlement that would be binding upon me, would it be a compromise? It would not.

It is under these circumstances that this bill is now before this House to reimburse some 8,000 fire sufferers whose unpaid half of their claims averages \$1,000 each—a total of about \$8,000,000.

I wish I had the time to read to you the testimony given at the hearings before the Committee on Claims, but I must be satisfied to submit the findings made. In three different Congresses has the Committee on Claims reported this bill out favorably. Let me quote some of the findings of the committee:

The testimony of the fire sufferers showed that before the litigation, which was protracted and expensive, the Government indicated that it would either pay all or none of the damage; that if the courts held the Government liable, it would pay in full; that if the courts held the Government was not responsible, it would not pay a cent. Not until after the court decisions favorable to the fire sufferers did the Director General indicate any willingness to compromise or pay part of the losses. The Director General refused to follow the Minnesota courts or their decisions. He was arbitrary. The fire sufferers were destitute. They faced the possibility of years of litigation and were forced to accept what the Director General was willing to pay, and execute such papers as he required. The committee in the Seventy-first Congress felt that such action was unfair, and not binding on the claimants, after hearing the witnesses and the testimony (p. 2 of report).

To summarize the situation briefly, lawsuits affecting the liability of the Government in various areas were tried as the litigation progressed. The Government was held liable in this litigation. The Government then made offers to settle for 40 or 50 percent of the loss, as determined by it, in these various areas. It made no settlement of claims of doubtful liability.

As Mr. Davis, Director General of Railroads, said in his letter to President Harding (p. 28 of printed hearings) and in his proposition of settlement (p. 29 of printed hearing), only claims were settled where they had a legal claim against the Government. We quote his exact language:

"This right to adjust and settle is based only upon legal demands which would ordinarily be enforceable in a court of justice. (See p. 29 of printed hearings.)

"We stress this fact because the bill, H.R. 5660, affects only those claimants who suffered loss and who were recognized by the Railroad Administration as having legal demands, and who received a part payment on that account. In no cases were any settlements made unless the legal liability of the Government was recognized (p. 5 of hearings).

"There is no question but that they (the fire sufferers) were under compulsion in accepting that settlement of 50 cents on the dollar. Two years after the fire the five judges met and signed a letter and sent it to the Railroad Administration. It was dictated by Judge Cant. He wrote and we subscribed to it, and it was to the effect that it would take all the judges of the State 10 years to try all those cases. We spent several months listening to the testimony on one case. That did not include all the damages but only the damages of one man. It would have taken months and years to hear all the testimony and decide how much each citizen was entitled to receive. Those districts were prostrated, and the people could not wait" (p. 95 of printed hearings).

Again, Judge Dancer says:

"I realize, however, that if every such individual were compelled to bring suit against the Government to establish his claims the result would be complete denial of practical justice" (p. 5 of hearings).

As appears from the testimony of Judge Dancer, and from undisputed facts, both in the Government testimony and from the other witnesses, your committee cannot find that the settlements were fair to the fire sufferers, and does not believe they should be bound by the releases executed by them in order to receive partial payment of their loss (p. 6 of hearings).

The testimony developed in the hearings on this case is uncontroverted as to the situation which resulted in part payment of the losses suffered by the fire claimants. The testimony leads to the conclusion that the fire sufferers were practically forced to accept such payments as the Director General of Railroads was willing to make. When he made those part payments, it is true that the fire sufferers had no other alternative except to comply with his pronouncements. He required that a legal release of all claims against the Government be executed; he required that a

legal stipulation for the entry of judgment be executed; he required that a legal satisfaction of judgment be signed and executed. He took all these steps so as to forever bar any claimant from having any legal or equitable causes of action against the United States in any of its courts. The only redress, therefore, which the claimants in this bill have is a bill in Congress.

The Government is still indebted to them, in spite of these legal instruments, for the balance of a loss which was ascertained by the Government, on a liability that was established by the courts of Minnesota, and on which only partial payment has been made.

The United States insists that its citizens discharge their duties and obligations fully. In collecting income taxes, it does not accept a percentage of the amount due. This Government should, therefore, recognize its just obligations and, through Congress, ought to treat fairly with its citizens. Either the Government owed the fire sufferers the amount of loss which each of them sustained or else it owed them nothing. It recognized liability in making part payments on these claims. The only way that justice can be done is to pass this bill and pay the balance (pp. 8-9 of hearings).

The Attorney General has carefully gone over the record and over his own signature he has given his support to this bill. This letter of the Attorney General, addressed to the President, was by the President transmitted to Mr. BLACK, Chairman of the Committee on Claims, with a letter from the President, in which he states that he concurs with the opinion of the Attorney General.

This bill, which for convenience has been substituted for my bill introduced in the House, has been passed by the Senate without a dissenting vote, and this vote today should do justice delayed 12 long years.

This calamity is without precedent or analogy for the following reasons:

First. The responsibility for this disaster, after extended litigation, was placed squarely on the Government by the highest court of Minnesota.

Second. Thereafter the Director General, in opposition to the contentions of the various claimants, himself fixed the extent of the loss of each claimant.

Third. The Director General then arbitrarily offered 50 percent of the amount of loss he himself had fixed and told the claimants they could take it or leave it.

Fourth. There was no forum, nor could there be any forum, where 8,000 claimants whose entire earthly possessions were destroyed could get relief in their extreme condition.

In closing let me say that there are now in the hands of the Railroad Administration unexpended funds in the amount of \$19,000,000 available for payment of this claim.

The payment should be made.

The Attorney General has given consideration to the question of settlement involved; and after having looked it all over, he said the bill is meritorious. The President agrees.

Let us do justice to 8,000 people most shamefully wronged.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the bills on the Private Calendar.

WILLIAM L. JENKINS

Mr. DITTER. Mr. Speaker, I ask unanimous consent that no. 248 on the calendar, H.R. 1939, for the relief of William L. Jenkins, which was passed when last we considered the Private Calendar be called at this time. It was passed at that time with the understanding that it would be called when the Private Calendar was again called.

The SPEAKER. The Clerk will recall that bill which was passed over without prejudice.

The Clerk called the bill (H.R. 1939) for the relief of William L. Jenkins.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. This claim was incurred on December 8, 1916. As I said when the bill was last under consideration, I think it is bad policy for us to go back that far in settling claims, when we are making every effort to hold down expenses of the Government and balance the Budget, insofar as the operating expenses of the Government are concerned.

Mr. DITTER. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. DITTER. I believe I can explain satisfactorily why that is so. The purposes of the bill, that is, the relief of Mr. Jenkins, growing out of the destruction of vouchers that are required by the accounting department, was not brought to the attention of Mr. Jenkins until 1930. It was not until there was provision made through another act, providing for a \$400 item due by the Government to Mr. Jenkins, that his attention was directed to the fact that these vouchers had been destroyed during the war period in 1917.

Mr. TRUAX. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. TRUAX. When was the bill first presented in Congress?

Mr. DITTER. The last Congress passed this bill, as far as the House was concerned, and it died in the Senate. My predecessor, Mr. Watson, handled the bill during the last Congress. It passed the House and it died in the Senate. There was no objection at the time the bill was handled at that time in the House. If the gentleman will refer to the complete report he will find substantiation of my statements regarding the matter of delay, in the latter part of the report, confirmed by the State Department. I feel that this is not a case where the charge of laches or undue neglect should be brought to bear against this claimant. It does not involve the payment of any money. The merit of the matter concerns destruction, during the war period, of the files of the Government, including vouchers, for which destruction the claimant is in no way responsible.

Mr. TRUAX. Does the State Department recommend the passage of this bill? I mean the present Department.

Mr. DITTER. The present State Department?

Mr. TRUAX. Yes.

Mr. DITTER. No. I cannot say that it has been referred to the present State Department. In other words, I do not have information by which I would want to assure the gentleman that the present State Department has had this matter under its consideration.

Mr. TRUAX. I would suggest that the gentleman permit the bill to be passed over without prejudice and secure the recommendation of the present State Department.

Mr. DITTER. Will that not just be a matter of further delay, with the probability of adjournment, and then I will be faced with exactly the same question that is presently raised, the matter of unusual delay in the presentation of the claim? I think the State Department meritoriously has passed on it. The Committee on Claims has passed on it. It simply means that the unfortunate circumstance of war caused the destruction of some of the State records, including vouchers, under the control of this consul.

Mr. TRUAX. Until the gentleman secures the recommendation of the present Department of State, I will be forced to object to it unless he wants to pass it over without prejudice.

Mr. BLANCHARD. Will the gentleman yield for a moment?

Mr. TRUAX. Certainly, I yield.

Mr. BLANCHARD. I want to refer to the statement made by the gentleman from Ohio, and, if the chairman of the committee were here, he would confirm it. That same suggestion has been made on other occasions with reference to departmental regulations and departmental recommendations, and in each instance where we have suggested to the department in charge of a matter of this kind that they give us a new recommendation, they tell us invariably that it is a matter of policy that has been determined by the department, and they always refer us to the previous communication that came from the department.

Mr. TRUAX. Mr. Speaker, I am going to withdraw my objection unless my colleague from Washington [Mr. ZIONCHECK] desires to object.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I understand the same bill was objected to heretofore. I have not had an opportunity to go into it. I think the request made by the gentleman from Ohio [Mr. TRUAX] is a sound reservation, asking for a departmental report,

and therefore, in the absence of that request being consented to, I am going to object.

Mr. DITTER. May I correct the gentleman? There was no objection to this bill in the past Congress.

Mr. ZIONCHECK. I gathered from the gentleman from Indiana [Mr. GRISWOLD], who was just here, that there was objection. I was not here, so I could not tell the gentleman.

Mr. DITTER. May I ask, Mr. Speaker, that the bill be passed over without prejudice, in order that I may satisfy my colleague from Ohio, and allow it to stand as the first bill to be called on the next call of the calendar?

The SPEAKER. Without objection, the bill will be passed over.

There was no objection.

ELECTION—NEW BRITAIN, CONN.

Mr. KOPPLEMANN. Mr. Speaker, yesterday in the second largest city of my district there was an election and I have a telegram from Mr. W. J. Farley, as follows:

New Britain goes Democratic by over 1,900.

In this city, Mr. Speaker, there was a Republican mayor who had served for several terms. Yesterday he was defeated by Attorney David L. Dunn, a Democrat. The vote emphasizes to me, as it must to the Members of the House, the continued confidence in the Democratic government of this country. By the fact that it was a turnover from Republican to Democratic, it shows increased confidence in the achievements of this Congress and our President. [Applause.]

PRIVATE CALENDAR

MRS. GEORGE LOGAN ET AL.

Mr. LAMBERTSON. Mr. Speaker, I should like to refer back to Calendar No. 258, H.R. 2416. Consent was given to take it up on next calendar day, and it was passed over temporarily.

The SPEAKER. The Clerk will report the bill.

The Clerk called the bill, H.R. 2416, for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I have gone into this bill since I have talked with the gentleman from Kansas [Mr. LAMBERTSON]. There is still great doubt in my mind whether there is any causal connection between this wound and the death, there being a 6-year period of intervention between the time of the wound and the time of the death, but there is some doubt in my mind, and if the gentleman will accept \$3,000 instead of \$5,000, I will not object. That will reduce it \$2,000.

Mr. LAMBERTSON. If that is the very best the gentleman will do, then reluctantly I accept the reduction.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Mrs. George Logan and her minor children, Lewis and Barbara Logan, as dependents of George Logan (deceased), who sustained injuries in line of duty and later died of such injuries, which were received while on duty as a prison guard at Fort Leavenworth, Kans.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 5, strike out "\$5,000" and insert in lieu thereof "\$3,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ROBERT B. JAMES

The Clerk called the next bill, H.R. 2541, for the relief of Robert B. James.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Robert B. James, out of any money in the Treasury not otherwise appropriated, the sum of \$7,000, the amount of a fine paid by Robert B. James in pursuance of a judgment entered upon a plea nolo contendere under certain provisions of the so-called "Lever Act" previous to the time that the Supreme Court of the United States held such provisions void, the said plea and said payment being made under a stipulation as follows: "In consideration that the Attorney General and this court shall accept the plea nolo contendere which I hereby tender to the above-entitled indictment, I do hereby waive any and all fines which the court may see fit to impose upon me upon such pleas, except in the event that the so-called 'Lever Act' under which said indictment is found shall be declared unconstitutional by the Supreme Court of the United States and that no prosecution could be sustained upon the facts stated in said indictment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. ELIAS & BRO., INC.

The Clerk called the next bill, H.R. 2558, for the relief of G. Elias & Bro., Inc.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this bill carries \$30,859.28 based on a claim that after bids were submitted and contracts were let, the specifications were changed, and they are asking the Government to pay them this \$30,859.28 additional.

A similar bill was pending in the Senate in 1932, carrying the number S. 1220, which bill sought to appropriate in settlement of this claim \$52,268.56. Thus in 1932 they were demanding \$52,268.56. The bill through Senator Howell, was submitted to the War Department for a report; and the Secretary of War, Mr. Patrick J. Hurley, reported on the same as follows:

The records do not show that any additional packing or crating, other than that required under the contract, was requested or accomplished, and therefore any claim therefor is not justified.

The records show that the bids by G. Elias & Bro., Inc., while the lowest among several competitors, were not considered unreasonably low. Any alleged loss because of additional costs of production, therefore, must be attributed to the errors of the contractor and not as a result of any act of the Government agents.

In view of the foregoing, this Department can see no merit in the proposed relief, and favorable consideration of the bill S. 1220 is, therefore, not recommended.

So I do not feel that this \$30,859.28 ought to be taken out of the Treasury. I must object. I reserve my objection, however, since the gentleman from New York asks that he be allowed to make an explanation, but eventually I shall object.

Mr. MEAD. Mr. Speaker, I may say to the gentleman from Texas that the original request was for some \$50,000, but our subcommittee reduced it to the amount contained in the bill. If the gentleman will allow the bill to go over without prejudice, I shall give him an itemized statement of the losses incurred as the result of changes in specifications ordered by Government agents.

Mr. BLANTON. Mr. Speaker, I hate to object to the gentleman's bill because of my friendship for him and also because of the splendid work he does on our Post Office Committee; but he must know that former Secretary of War Hurley said there was no change made in the specifications. Such a claim was not made when the original claim was made against the Department. This is an afterthought and was not raised until 1927. Under these circumstances I feel impelled to object.

Mr. MEAD. This firm up until a short while ago had been doing a prosperous business in Buffalo. It recently became bankrupt.

Mr. BLANTON. They had two contracts, and were paid in full for all that was due them under such contracts.

Mr. MEAD. They were forced into bankruptcy; the corporation has been wiped out after having been in existence for many years. The owner died, his friends say of a broken heart; and the contracts he had with the United States Government helped to ruin him financially. No one is left but his widow. I shall be very glad to furnish the gentleman with an itemized statement of the costs, together with such information concerning the orders and instructions, as we furnished the subcommittee; and at that time if he desires to object he will still have that right.

Mr. BLANTON. I must say to the gentleman from New York that in 1932 I went into this bill carefully and checked it up. I had very definite ideas then, which I still entertain, that this is not a just claim against the Government, and that we should not pay out this \$30,859.28. I am forced to object, Mr. Speaker.

G. ELIAS & BRO., INC.

The Clerk called the next bill, H.R. 2561, for the relief of G. Elias & Bro., Inc.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, would the gentleman from New York be willing to accept the usual attorneys' fee amendment?

Mr. MEAD. Yes; I shall be very glad to.

Mr. BLANCHARD. I should like to ask the gentleman further with reference to the amount of the claim. I see it is \$4,400.

Mr. MEAD. Yes. We reduced it by, I think, \$3,000 before the subcommittee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. Elias & Bro., Inc., out of any money in the Treasury not otherwise appropriated, the sum of \$4,400 in full settlement for losses suffered by said company on account of priority orders and other conditions arising out of the late war with Germany which prevented the delivery of lumber specified under contract with the United States Navy Department no. 29497 within the time specified, for which contract bid was submitted by said company prior to the entrance of the United States into the late war.

Mr. BLANCHARD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEXAS MILITARY COLLEGE, TERRELL, TEX.

The Clerk called the next bill, H.R. 2650, for the relief of the Texas Military College, of Terrell, Tex.

Mr. BLANCHARD. Mr. Speaker, I object.

CORA A. BENNETT

The Clerk called the next bill, H.R. 2667, for the relief of Cora A. Bennett.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. TARVER. Mr. Speaker, will the gentleman reserve his objection?

Mr. HANCOCK of New York. I reserve the objection.

Mr. TARVER. Will the gentleman state why he is objecting to the bill?

Mr. HANCOCK of New York. This decedent died in 1918 of influenza, and according to the report there is no connection whatever between his death and his Government

service. There is not a line in the report which would indicate that his death was in any way connected with his service.

Mr. TARVER. The purpose of the bill, as the gentleman of course, will observe, is to afford this widow an opportunity to show to the Compensation Commission that her husband's employment did bring about his death. The report from the decedent's superior officer is dated almost 3 months after his death.

It is apparent that there was great negligence in even reporting the death of this man, and it is also apparent that the officer who made the report could not report that his death was in line of duty because he was not apprised of the circumstances under which the man died. It has not been thought necessary, in view of the fact that Congress has passed many bills of this character simply vesting jurisdiction in the Commission to hear the facts, to submit evidence showing that death did result because of the performance of decedent's duties. The evidence could readily have been obtained, but it has not been required in the cases of other bills of this character passed by the House.

May I ask the gentleman if he does not think it fair that this widow under the circumstances should be accorded the opportunity of showing to the Commission that her claim is well founded? This opportunity she has never had.

Mr. HANCOCK of New York. I dislike, of course, to object to bills of my colleagues, but unless there is some reason for believing that this might be regarded as a meritorious claim for compensation, and unless some excuse is offered for the delay of 16 years, I feel I should object.

Mr. TARVER. The delay has not been 16 years, may I say to the gentleman. This bill has been introduced in several prior Congresses, but has never been reached for consideration. The lady did not know that she had any right to file a claim under the Employees' Compensation Law, but as soon as she found it out she began pressing for relief. It is a very minor matter, so far as the Government is concerned, but it is of importance to the widow, who cannot under the terms of this bill secure anything to which she is not entitled under the evidence which may be submitted. No harm can be done by its passage and great harm might be done to her if this bill is not passed.

Mr. HANCOCK of New York. The only evidence we have in connection with the case itself is in the report of the War Department, which states that James D. Bennett died of influenza while on temporary duty and that his death was not incident to his service. There is no contradiction of this statement, and I cannot see that there is a basis for a claim here. Very reluctantly I feel compelled to object.

Mr. TARVER. It further appears, if my colleague will notice, that Col. Jack Hayes, the superior officer of this man, reported his death under date of February 15, 1919, when, as a matter of fact, death occurred on October 29, 1918, almost 3 months before. He had not become aware of his death until 3 months after the death occurred.

Mr. HANCOCK of New York. Even so, that is a long time ago.

Mr. TARVER. The statement that his death was not in line of duty should not preclude this widow from submitting her case to the proper authorities.

Mr. HANCOCK of New York. I think there should be some evidence submitted to warrant the case's being submitted to the Commission.

Mr. TARVER. There has not been evidence submitted in other cases of similar character during this Congress and prior thereto to show the facts in each case. That is, evidence that would be submitted to the Commission in the event a hearing was accorded. For this reason, I did not think it was necessary in this case.

Mr. HANCOCK of New York. I think question of fact should be presented.

Mr. TARVER. I am sorry the gentleman feels that way about the matter.

Mr. HANCOCK of New York. Mr. Speaker, I object.

BONNIE S. BAKER

The Clerk called the next bill, H.R. 2682, for the relief of Bonnie S. Baker.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the gentleman from Georgia if it is not true that the Department found, as a matter of fact, that the former postmaster was guilty of negligence in the handling of these Government funds or stamps?

Mr. TARVER. The Department so finds, but if it had found otherwise it would not have been necessary to appeal to Congress for relief. The Department itself would have afforded whatever relief was necessary.

This is another class of bill considered favorably by the House. The amount involved is only \$100.29. This widowed postmaster had an assistant in charge in a country post office. This assistant left the money, which belonged to the Government, in a metal box while he went about 30 feet to get lunch. While he was gone a window was broken and a thief stole the \$100.29. It occurs to me that the finding by the Department to the effect that this postmaster was negligent in the premises is necessarily without evidence to support it. It has not been deemed necessary in rural sections of my district to take elaborate precautions against burglary and probably the precautions taken in this case were similar to those taken by others under similar circumstances. It occurs to me that even if the assistant postmaster might have been to some extent at fault, there is no reason for penalizing this widowed postmaster because of circumstances which she could have in no way avoided.

Mr. BLANCHARD. There must be some reason for regulations and law, and clearly in this case the regulations and the law were not complied with.

Mr. TARVER. I do not see how the gentleman can say that they were not complied with. Does the gentleman expect a country postmaster to maintain an iron safe for the purpose of keeping safely the money belonging to the Government?

Mr. BLANCHARD. If the law so required, I would certainly expect that to be done.

Mr. TARVER. The gentleman's expectations are so out of line with what I consider to be reasonable and just that I hardly know how to answer his statement. Many bills of this sort have been passed without objection. If the gentleman objects to paying this lady the small amount of money involved, that is his responsibility.

Mr. BLANCHARD. I am not going to object. The gentleman need have no fears on that score.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$100.29 to Bonnie S. Baker, former postmaster at Gore, Ga., to reimburse her for currency and coin in that amount stolen from said post office by burglary on November 18, 1930, which said loss was sustained without negligence on the part of said postmaster and was by her repaid to the Government from her private funds.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF POST OFFICE AT LAS VEGAS, NEV.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to return to the bill (H.R. 3900) authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, is this the bill that the gentleman from Indiana [Mr. GRISWOLD] objected to the last time the calendar was called?

Mr. SCRUGHAM. Yes; and I have seen the gentleman and talked with him about it.

Mr. ZIONCHECK. And he has no objection to returning to the bill and passing it?

Mr. SCRUGHAM. No; and, in fact, he suggested to me the procedure to be followed.

Mr. ZIONCHECK. Then, Mr. Speaker, I have no objection to returning to the bill.

The SPEAKER pro tempore (Mr. Bloom). Is there objection to the request of the gentleman from Nevada?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to subcontractors, labor, and material men who furnish labor and material to the Plains Construction Co., defaulted general contractor for the construction of the post office at Las Vegas, Nev., such sums as he may consider equitable and just to reimburse said subcontractors, labor, and material men for unpaid accounts left by said Plains Construction Co. at the time of its default, said sums to be paid only upon proper proof of actual losses sustained exclusive of profit; and there is hereby made available for this purpose not to exceed \$20,000 from any sum which may remain from the lump-sum appropriations made for building-construction purposes, notwithstanding the amount of the claims of said subcontractors in addition to the cost of completing the building exceed the limit of the cost for the construction of the Las Vegas post office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH SHABEL

The Clerk called the next bill, H.R. 2689, for the relief of Joseph Shabel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, from any funds in the Treasury not otherwise appropriated, to Joseph Shabel the sum of \$5,000 in full settlement of all claims against the Government for injuries and damages sustained when struck by a Government automobile on May 7, 1932, said automobile having been driven at the time by Hayden N. Bell, a Federal prohibition agent: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$5,000" and insert in lieu thereof "\$2,579."

The committee amendment was agreed to.

Mr. TARVER. Mr. Speaker, I desire to offer an amendment. In line 5, after the word "to", insert the words "Edward Shabel, son of."

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 1, line 5, after the word "to", insert the words "Edward Shabel, son of."

Mr. BLANCHARD. Mr. Speaker, may I ask the gentleman the number of this bill?

Mr. TARVER. It is Calendar No. 267, and may I say to the gentleman that the claimant has died subsequent to the reporting of the bill, and I am simply inserting the name of his only son.

The amendment was agreed to.

Mr. TARVER. Mr. Speaker, I offer another amendment, in line 5, after the words "Joseph Shabel", insert the word "deceased."

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 1, line 5, after the word "Shabel", insert the word "deceased."

The amendment was agreed to.

Mr. TARVER. Mr. Speaker, in line 7, page 1, after the word "sustained", I move to insert the words "by Joseph Shabel."

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 1, line 7, after the word "sustained", insert the words "by Joseph Shabel."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Edward Shabel, son of Joseph Shabel."

LULA A. DENSMORE

The Clerk called the next bill, H.R. 2692, for the relief of Lula A. Densmore.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to call the attention of the gentleman from Georgia to the fact that he has some meritorious bills here and no one is objecting to them.

Mr. TARVER. The gentleman from Georgia appreciates that very much.

Mr. TRUAX. I think this bill is a meritorious one, but all of these bills are for the relief of private individuals. We have two petitions on the Clerk's desk that are for the relief of thousands and hundreds of thousands of individuals in this country. One is the petition to discharge the committee from the consideration of the McLeod bill and the other is a petition to discharge the committee from further consideration of the Frazier-Lemke bill. I should like to ask the gentleman from Georgia if he has signed either one of these petitions.

Mr. TARVER. No; and I have no intention of signing them, may I say to my colleague, since I do not entertain the same opinion of this legislation that he does. Of course, I recognize the fact that my colleague is out of order in calling my attention to matters of this sort and in seeking to obtain a statement from me regarding my position concerning them during the consideration of this calendar but, since the gentleman has undertaken to do so, I have no hesitancy in telling him that I think both of these bills are bad legislation; and I have not only not signed either of the petitions to discharge the committee, but I have no intention of doing so.

Mr. TRUAX. I thank the gentleman for his clear-cut statement. There is no question about the gentleman's position, and I am pleased that his bills are meritorious, so that I do not have to object to them.

Mr. TARVER. I thank the gentleman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any funds in the Treasury not otherwise appropriated, to Lula A. Densmore, widow of Clarence Densmore, the sum of \$15,000 in full settlement of all claims against the Government of the United States for damages incurred by the killing of Clarence Densmore, her husband, on a public highway of Douglas County, Ga., by Fred Pierce, a Federal prohibition agent, which said killing occurred on July 13, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$15,000" and insert in lieu thereof "\$5,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A. C. FRANCIS

The Clerk read the title of the next bill on the calendar, H.R. 2748, for the relief of A. C. Francis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. C. Francis, sheriff of Midland County, Tex., the sum of \$204.30 as reimbursement of

expense incurred in connection with the apprehension of William Dunn Reiger, a fugitive from justice wanted by the Federal Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. B. ROSE

The Clerk read the title of the next bill on the calendar, H.R. 2749, for the relief of E. B. Rose.

The SPEAKER pro tempore. Is there objection?

Mr. BLANCHARD. I reserve the right to object.

Mr. THOMASON. Mr. Speaker, I hope the gentleman will not object. I have personal knowledge of this claim, and I believe it is meritorious.

Some years ago we had a law that permitted stock people to take their livestock to Mexico for temporary pasturage. We had a bad drought situation in that country along the Mexican border. This man, George D. Miers, took a herd of sheep to Mexico where he later sold them to the claimant, E. B. Rose.

These sheep, or their offspring, were brought back to the United States prior to the expiration of the law. The law expired on December 31, 1925.

A careful reading of the report of the Secretary of the Treasury, Ogden Mills, will disclose that the objection was on account of the fact that they did not believe that Mr. Miers went to Mexico for a temporary residence.

Now, I know that both Mr. Miers and Mr. Rose are American citizens with permanent residence in Texas. There are a number of affidavits in the case which have been filed since the report of Secretary Mills. There are affidavits or statements of 11 citizens of Del Rio, including the mayor, postmaster, district judge, district attorney, and other prominent citizens to the effect that Miers resided in Del Rio, Tex., and was in Mexico only for temporary business reasons.

Mr. BLANCHARD. I notice that he took the sheep to Mexico in 1921 and did not return them until 1925.

Mr. THOMASON. That makes no difference for he was within the law. The law did not expire until December 31, 1925. The sheep were returned February 2, 1925, nearly a year before the law expired.

Mr. BLANCHARD. The question turns on the fact whether he went to Mexico for a temporary purpose.

Mr. THOMASON. A number of the most prominent citizens of Del Rio, Tex., make statements which the gentleman will find at the bottom of page 7 in the report, and all to the effect that both of these men were permanently residing in this country.

Mr. BLANCHARD. And during all the time from 1921 to 1925 they were residents of Del Rio?

Mr. THOMASON. Yes; they lived there, and they live in that section now, and they have not lost their residence. It is a common practice for stockmen along the border to move their livestock into Mexico to pasture them and go into Mexico to trade, ranch, mine, and conduct other forms of business for several months at a time.

Mr. BLANCHARD. The gentleman has made out a good case. Will he accept the usual attorney-fee amendment?

Mr. THOMASON. Certainly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to remit the payment by Burke Rose, of Del Rio, Tex., of the sum of \$1,230, being amount of duties demanded and collected by the Treasury Department on certain sheep returned to the United States from Mexico in the month of October 1925.

Mr. BLANCHARD. I offer the following amendment.

The Clerk read as follows:

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any

person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. G. DOTY

The Clerk called the next bill, H.R. 2750, for the relief of E. G. Doty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money not otherwise appropriated, the sum of \$146.03 to E. G. Doty as reimbursement of expense incurred in line of duty as a United States deputy marshal.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the Comptroller General of the United States be, and he is hereby, directed to allow Scott C. White, United States marshal, western district of Texas, credit in the amount of \$146.03, being the amount advanced by the said marshal to E. G. Doty, a deputy marshal, covering expense incurred by the said Doty in attempting to serve certain process placed in his hands for service."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill for the relief of Scott C. White."

E. C. WEST

The Clerk called the next bill, H.R. 7437, for the relief of E. C. West.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. West, of Dunn, N.C., the sum of \$201.59 as reimbursement of substitute-clerk hire paid by him from December 31, 1921, to September 30, 1922, while acting as postmaster at Dunn, N.C.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ELSIE SEGAR

The Clerk called the next bill, H.R. 2763, for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

ESTATE OF HARRY F. STERN

The Clerk called the next bill, H.R. 2764, for the relief of the estate of Harry F. Stern.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill seeks to pay Mr. Stern \$18,704.89 out of the people's tax money. The Treasury Department reports against it, and I am constrained to object.

Mr. TURPIN. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. Yes; but in the meantime I call the gentleman's attention to this part of the report from the Acting Secretary of the Treasury:

It has been the policy of Congress to include in the revenue acts limitation provisions by the operation of which after a certain period of time it becomes impossible for the Government to assert additional liabilities, or for the taxpayer to assert a claim for a refund. It not infrequently happens that a taxpayer finds himself barred by the operation of the statute of limitations from securing a refund of an amount of tax paid in excess of what was due. In such cases the taxpayer often feels that he is entitled to get back the amount overpaid, notwithstanding that the statute of limitations has run, and bills are often introduced into Congress seeking such relief.

They go on to show that if they once go behind the statute of limitations, there is no end to such claims. I yield to the gentleman from Pennsylvania.

Mr. TURPIN. Harry F. Stern and his wife died about the same time. Their estate paid a heavy inheritance tax.

Mr. BLANTON. Which it should have done.

Mr. TURPIN. Which it should have done.

Mr. BLANTON. Because people who get the protection of the Government and have the protection of our flag all through their lifetime ought to pay for it when they die.

Mr. TURPIN. At about that same time the State of Pennsylvania had passed a recapture law in which 80 percent of the tax was to go to the State of Pennsylvania. The attorney paid the money to the Government. The recapture act of the State of Pennsylvania was attacked and was in the Supreme Court for some time. Eighty percent of the money was paid to Pennsylvania and 60 percent of the money was paid to the Government, which made practically a 50-percent payment which had been made twice. The Government admitted that it was not entitled to the money, but stood behind the statute of limitations. That came about because the law which the State of Pennsylvania passed was in the Supreme Court on the matter of its constitutionality, and the Stern estate was not asked for the money by the State until 3 weeks after the time had elapsed to re-collect it from the Government. Had they asked before that, within 3 years, the Government would have paid the money without protest.

Mr. BLANTON. Oh, I have a constituent who is entitled to a refund of \$24,000, but he waited too long, and the statute of limitations has run against him. He cannot get his money. If we were to pass a private bill going behind the statute of limitations there would be thousands of claims against the Government.

Mr. TURPIN. Does the gentleman hold that a man should have to pay his taxes twice because of an error?

Mr. BLANTON. I am a strong believer in the statute of limitations.

Mr. TURPIN. I bring to the attention of the gentleman the fact that the Claims Committee has taken this up carefully and recommended it favorably. The Senate Committee did the same thing. There is a humane side to this. The Senate passed the bill on March 29 without objection. It is a case where a man had to pay \$18,000 twice.

Mr. BLANTON. The Committee on Claims usually "recommends favorably." If I ever have to go back to the practice of law, I should like very much to practice my cases before the Committee on Claims instead of before juries and courts, because I could always get a judgment from the Committee on Claims, when sometimes I could not get one from the court.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WALTER. In this particular matter I sent for the attorney who represented the estate and he explained that he had made a mistake. He was very frank about it. He paid \$18,000 to the Federal Government instead of to the State of Pennsylvania, and for that mistake of his the estate must pay twice.

Mr. BLANTON. When a doctor makes a mistake it is buried in the graveyard. When a lawyer makes a mistake his client must pay for it. If we do not stop asking the Government of the United States to pay for every mistake that the people of the Government make, God only knows what is going to become of the Treasury.

Mr. WALTER. I agree with what the gentleman says—

Mr. BLANTON. There must be a stop somewhere, where the Government is not liable for everything.

Mr. WALTER. This is not a case of where the statute of limitations applies as it ordinarily does, because in this case the money was actually paid.

Mr. BLANTON. I am sorry, but I shall have to object.

Mr. TURPIN. May I ask that the bill be passed over without prejudice until I can talk with the gentleman?

I wish the gentleman would withdraw his objection. This is a case where the money was paid to the Government, and the Government was not entitled to the money. Does the gentleman think the Government ought to keep it?

Mr. BLANTON. I am thinking of the bad precedent the passage of this bill would establish. It would cause thousands of new claims to be filed and would cost the Government millions of dollars. I have my duty to perform here, and I am trying to perform it. I object.

The SPEAKER pro tempore. Objection is heard.

POWELL & GOLDSTEIN, INC.

The Clerk called the next bill, H.R. 2397, for the relief of Powell & Goldstein, Inc.

Mr. BLANCHARD. Reserving the right to object, I should like to be assured by the gentleman from Pennsylvania [Mr. HAINES] of some of the details with respect to this bill.

Mr. HAINES. This is a claim for revenue stamps for cigars, supposedly lost in the mail. I want to assure the gentleman that these stamps were never lost in the mail. The fact of the matter is, these revenue stamps were never put into the envelop. We convicted the stamp clerk in the revenue office in York and collected over \$4,000 which this stamp clerk paid, and he also served 90 days in jail. I am rather confident that is where those stamps went.

Mr. BLANCHARD. That is the very point I wanted to raise in connection with this claim. As I understand the departmental regulations, if you order revenue stamps and make no provision for insurance or for registering the stamps, then the purchaser of the stamps takes his own risk. Unless I can be assured definitely that these stamps were never placed in the envelop, I certainly would have to object.

Mr. GRISWOLD. It is not the amount involved, but it is the principle that a purchaser of stamps has always been required, if he wanted to insure delivery of the stamps, to advance the cost of registering the envelop containing the stamps.

Mr. BLANCHARD. That is perfectly right.

Mr. GRISWOLD. And in this case he did not advance this cost. He took the risk whether the stamps were put in there or not. He did not protect himself or seek to protect himself under the regulations. If we allow this bill to pass, we are in the position in the future on all revenue stamps, of simply saying that they do not need to insure the delivery.

Mr. BLANCHARD. I differ with the gentleman from Indiana [Mr. GRISWOLD] to this extent, that if a Government employee never put the stamps in the envelop, then, of course, the purchaser who did take his own risk as to delivery after they were once placed in the mail has no chance of ever receiving the stamps.

Mr. GRISWOLD. He would have protected himself, because the envelop would have been properly sealed.

Mr. HAINES. This is the general practice. There is only a distance of about 18 miles between the two points. The revenue stamps were handled by employees of this Government, and it seems to me we are going pretty far if we say we cannot trust our Government employees, and that when our people put up their money and do not receive that for which they pay, we deny them that which rightfully belongs to them.

Mr. GRISWOLD. They are entitled to it, provided they take the ordinary means under the regulations to protect themselves, which this purchaser did not in this case.

Mr. HAINES. I do not like to see this poor foreman of a cigar factory lose this \$100. I say to you upon my reputation as a Member of this House that I am rather confident these revenue stamps never went into that envelop, because that revenue-stamp clerk made retribution and paid back to the Government over \$4,000, and in addition he served 90 days in jail.

Mr. GRISWOLD. The gentleman says there is proof that they were placed in the envelop.

Mr. HAINES. Oh, it is supposed so.

Mr. GRISWOLD. We can only go by the report. I must object, Mr. Speaker.

Mr. HAINES. I am very sorry.

HENRY HARRISON GRIFFITH

The Clerk called the next bill, H.R. 3161, for the relief of Henry Harrison Griffith.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, this is another one of those bills where we are asked to waive the statute of limitations. The claim has been outlawed for 15 years. I do wish we could adopt some uniformity of policy. Personally, I do not like to object to these bills. If the gentleman can give me some assurance that this is a meritorious claim, I do not intend to object.

Mr. ROBERTSON. Mr. Speaker, this is a very meritorious claim. This man was an old mail carrier. He came into the world right after the close of the War between the States. He received no education. He carried mail in the days when they carried it with horse and buggy, over muddy roads, exposed to all the vicissitudes of the elements. He was injured in the service and he did not know that he had a right to present a claim for compensation.

Mr. HANCOCK of New York. Can it be proven that his injuries arose from the service?

Mr. ROBERTSON. I have no personal knowledge of anything except the fact that this old fellow has been bed-ridden for the last 3 or 4 years.

He is a helpless cripple. I cannot assure the gentleman that he can establish the fact that his injuries were service connected.

Mr. BLANCHARD. But the gentleman believes there is a question of fact involved.

Mr. ROBERTSON. I think there is a good basis of fact; and I may say to the gentleman, Mr. Speaker, that this bill is in accord with the bill H.R. 2321, which was passed without objection last Tuesday, for the relief of Capt. J. O. Faria, the steamboat captain who did not know his rights and let the year run out. We gave him the right to take up his case, and that is all I am asking be done for this old bed-ridden mail carrier; give him the right to present his claim, even if he does not get anything at all.

Mr. BLANCHARD. I shall not object, but I do wish that we could agree upon a policy as to how far back we are going to permit these old claims to be dug up.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and directed to extend the benefits of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", as amended, to Henry Harrison Griffith, a former employee of the Post Office Department, in the same manner and to the same extent as if said Henry Harrison Griffith had made application for benefits of said act within the 1-year period required by sections 17 and 20 thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. RANDOLPH HOLLADAY

The Clerk called the next bill, H.R. 3236, for the relief of A. Randolph Holladay.

Mr. BLANTON. Mr. Speaker, I shall be forced to object. This is another bill where the statute of limitations has run. This claim is in the amount of \$11,172.15, and the Treasury Department has reported against the bill. This \$11,172.15 should not be paid out of the Treasury. I shall be forced to object.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. TRUAX. I may say to the gentleman from Texas that this also is a bill to refund income taxes. I think we ought to stop all refunds of income taxes. I think Congress ought to enact a law making it illegal to refund taxes paid in years prior to 1928. Had it not been for the refunding of \$4,500,000,000 over the past 12 years we probably would have no deficit today.

Mr. BLANTON. The statute of limitations has run against this claim. Mr. Speaker, I object.

Mr. ADAMS. Mr. Speaker, will not the gentleman withhold his objection to permit me to make an explanation?

Mr. BLANTON. Certainly.

Mr. ADAMS. I think perhaps the gentleman is mistaken with respect to the statute of limitations having run against this particular claim.

Mr. BLANTON. There are some things which come from Republican Secretaries of the Treasury which I can believe. A former colleague of ours, Ogden Mills, reported against this bill when he was Secretary of the Treasury, and said it ought not to pass.

Mr. ADAMS. But there have been favorable reports on this bill.

Mr. BLANTON. Let us see what Ogden Mills said:

The position which this Department has taken and which Congress has sanctioned is that it is a sound policy to have statutes of limitation, and that the policy upon which statutes are based must be adhered to notwithstanding hardship in particular cases. The closing agreement is in the nature of a voluntary invocation of the statute of limitations.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

That is a report against this bill, for he says limitation has run against it, and while I do not usually follow Ogden Mills on matters political, I am following him now in backing up his recommendation respecting this claim.

Mr. ADAMS. I will admit that he is not a very good authority in this particular case. Permit me to call attention to the fact that this bill has passed the Senate and certainly is meritorious.

Mr. BLANTON. Practically all private bills pass in another body. My objection is based more on the general policy of establishing a principle than it is against the amount of the bill, for the amount is only \$11,172.15. It involves a big principle, however. When we once go behind the statute of limitations on a claim like this, what is the use of having a statute of limitation? If we waive the statute of limitation for one individual we must waive it for all American citizens. We must treat them all alike.

Mr. ADAMS. I may say to the gentleman that in this particular instance this tax was paid by the son, who at the time of paying the tax acquainted the revenue officer with the fact that, while the proceeds were turned over to him, the stock was registered in the name of his father; and at the time of paying he signed a waiver. The father was afterward taxed, and the father was assured that the amount paid by the son would be refunded.

Mr. BLANTON. I am sure that if our friend were not interested in this particular bill he would say it is a sound policy of government not to waive the statute of limitation; we must have a statute of limitation.

Mr. ADAMS. Will not the gentleman yield?

Mr. BLANTON. Certainly; but eventually I shall have to object in the end. This bill must not pass.

GEORGE B. BEAVER

The Clerk called the next bill, H.R. 3300, for the relief of George B. Beaver.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, just to clear the Record. A 4-year period is involved, and the postmaster is disallowed credit for payment, perhaps through ignorance of civil-service rules and requirements, but nevertheless payment over a 4-year period to two assistants. Am I correct when I say two assistants?

Mr. McREYNOLDS. One was a substitute clerk and one a substitute carrier.

Mr. BLANCHARD. I ask this specific question: Just how could a situation of this kind arise and continue over a period of 4 years? Does this grow out of the audit of a postmaster's account or is it just a disallowance of these payments?

Mr. McREYNOLDS. No. This was checked up by the Civil Service Commission. They claim that these men were not taken from the list, and I think the failure rose from the fact that the postmaster did not know about the list. He says he did not have a list. The office had been raised from the third class to the second class. The Government was not out one cent; it is just a question of putting on the right men.

Mr. BLANCHARD. Then it is not a question of reimbursing him for payments that he made?

Mr. McREYNOLDS. No; but the trouble is that without this bill this amount will be charged against him. The Comptroller has very kindly held this up for 2 years in order to permit me to get it straightened out.

Mr. BLANCHARD. I assumed that such must be the situation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to credit the account of George B. Beaver, postmaster at McMinnville, Tenn., with the sum of \$5,944.41, and to certify such credit to the Comptroller General of the United States. Such sum represents the amount paid by such postmaster during the period from September 16, 1927, to April 7, 1931, as compensation to two persons appointed by him as substitute postal clerk and substitute letter carrier, respectively, which amount was disallowed in his account because such persons were not taken from the civil service eligible list.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JOHN MERRILL

The Clerk called the next bill, H.R. 3302, for the relief of John Merrill.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, this bill provides for payment of \$2,500 on account of a gunshot wound in the leg. Has the gentleman any idea how serious the injuries were?

Mr. McREYNOLDS. Yes; I have personal knowledge. I saw this man when I was over in his county not long since and he is very badly crippled.

Mr. HANCOCK of New York. Permanently injured?

Mr. McREYNOLDS. Yes.

Mr. HANCOCK of New York. If the gentleman will accept the usual amendment I have no objection.

Mr. McREYNOLDS. There is no one involved in this at all. It is a case where I was trying to render a service to a poor fellow who was absolutely disabled.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of \$2,500 to John Merrill on account of gunshot wound received in left leg by a shot from a Federal prohibition enforcement officer, in the act of destroying a seized still, on July 19, 1930, in Polk County, Tenn., said Merrill being a deputy sheriff at the time and on a raid near Ocoee, Polk County, Tenn.

With the following committee amendment:

On page 2, line 2, after the word "Tennessee", insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. COCHRAN of Missouri. Mr. Speaker, I have asked for recognition in order to pay tribute to a friend, Arthur Rump, of St. Louis, who passed away Monday.

Mr. Rump was formerly an employee of the St. Louis post office. He was the leader of the post-office band and for years one of the outstanding athletes among the nearly 3,000 Government employees in my city.

While walking through the post office attending to his duties about 32 years ago a bundle of papers fell from an automatic carrier, striking him on the neck, causing paralysis. Later a bone disease of some kind set in that baffled the skill of leading physicians and surgeons all over the country. It was not long before he lost the use of hands and limbs and was required to remain in bed.

Mr. Rump wanted no sympathy nor financial assistance at that time; all he asked was an opportunity to carry on in his own way so that he could make a living for an invalid wife and his mother. He became a notary public accepting acknowledgments, he solicited subscriptions to magazines and newspapers over the telephone, and also wrote insurance. His case soon became one that attracted the attention of newspapers and magazines throughout the country. Known as the "champion optimist", he was an honorary member of the Optimist Club, of St. Louis, a national organization.

Mr. Rump was my personal friend. He did not reside in my district, but I never failed to pay him visits. I would enter his bedroom, say "Hello", ask him how he was, and the same reply was always forthcoming, "Never felt better in my life; sit down and let us have a chat." Over his bed were large signs, "Down but not out" and "Don't worry." He just would not let you sympathize with him.

Arthur Rump was the only man, so far as I have been able to learn, that the Congress of the United States recognized three times by passing private bills granting him relief.

About 10 years after the accident his friends petitioned Congress to extend relief to him. Bills were introduced and Congress allowed him \$2,500. Had Mr. Rump been injured while in the employ of a private corporation, any jury in the land, seeing his condition, would have awarded him \$25,000 or more.

When the Government employees petitioned Congress for the passage of a law that would provide benefits to them if injured in line of duty, Mr. Rump's case was cited as an example. He personally petitioned every Member of Congress to vote for the measure which created the Employees' Compensation Commission. After that law was passed, a bill was introduced which provided for the placing of his name on the roll. That bill became a law. Later when the Congress increased the amount allowed employees for total and permanent disability, a third bill was introduced after the Commission had ruled they could not recognize Mr. Rump for the increase. That bill also became a law. It was recognition justly deserved, for no one will ever know how he suffered all through those long years, night and day.

Picture, if you will, a man in bed, unable to move an inch one way or the other, deprived of the use of his arms and legs, with a telephone on a special attachment, calling his friends throughout the day and evening, not asking for help but just to say "Hello", and in the end say, "Don't forget me whenever you intend to subscribe to a paper or magazine." No business man in St. Louis, no matter how busy he might be, would refuse to answer the telephone when he was told that Arthur Rump was on the line.

His fellow postal workers never forgot him. Annually they would gather with the post-office band and his friends and celebrate his birthday. Rump always insisted on serving refreshments, some beverage and cake.

One of his best friends, August A. Busch, the brewer, preceded Mr. Rump to the grave a few weeks. Mr. Busch provided his old friend with a truck built specially so that his bed could be wheeled thereon, and Mr. Busch's chauffeur would drive the stricken man out in the country to spend the day. Never once would he go to the city but always to the country, the hills of the Ozarks he loved so well.

After the death of his mother and his wife, Mr. Rump was cared for by his faithful nurse, Miss Agnes Sheets. She never left him over a period of years. Miss Sheets also acted as his secretary, writing his letters on the typewriter.

In order that the House and the country will have an idea of the character of this man I am going to read a letter I received from him after the President's order reducing the compensation paid injured Government employees 15 percent went into effect last year. The letter follows:

ST. LOUIS, Mo., July 24, 1933.

Hon. JOHN J. COCHRAN,

United States Congress, Washington, D.C.

DEAR FRIEND JACK: I am enclosing herewith a letter from the United States Compensation Commission that I am at a loss to understand, for I entered no protest. If I had had any intention of making a protest, it would have come direct to you.

You will no doubt recall that in a letter a few months ago I mentioned the fact that I was more than willing to accept a reduction in accordance with the President's orders.

Despite the fact that my business has been ruined under present conditions, and, as you are aware, my total disability compels me to employ a constant attendant, I am still willing to do my part to assist President Roosevelt to carry out his program.

I am willing to accept the 15-percent decrease as per the President's wishes. I am in sympathy with his ideas to balance the Budget. It is no more than fair that I join with him to bring the country out of this condition. I am sure he will be able to do so. The people are with him.

With kindest regards, my faithful nurse, Miss Sheets, joins me.
Yours cheerfully,

ARTHUR E. RUMP.

The country has lost a patriotic citizen and the Government employees a real friend. If you knew him as I did, you could not help but mourn his loss as I do. I cherished his friendship. [Applause.]

The pro forma amendment was withdrawn.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

VETERANS' LEGISLATION

Mr. ABERNETHY. Mr. Speaker: Many veterans in my congressional district are writing me asking for information as to just how they will be affected by the veterans' provisions contained in the independent offices appropriation act. I wish to present this analysis of just what benefits the veterans will receive from this legislation. The independent offices appropriation act not only carries additional benefits to veterans but it also carries the annual appropriations for the Veterans' Administration.

Gen. Frank T. Hines, Administrator of Veterans' Affairs, announces that the Veterans' Administration is taking immediate action to make the veterans' provisions of the independent offices appropriation act effective as soon as possible. Consideration will be first given to those veterans who were removed from the rolls by reason of the provisions of the Economy Act of March 20, 1933, whose rights to benefits are automatically reestablished by the new law. In all cases where it is possible to restore pension or compensation without the necessity of an administrative review such action is being taken.

Immediate attention is also being given to those groups of cases wherein a review of evidence will be required to determine what benefits may come from the new law. The adjudication of such cases is to be accomplished with the least possible delay.

According to the Veterans' Administration it is estimated that approximately 330,000 World War veterans, 180,600 Spanish War veterans, and 34,900 dependents will be affected by this legislation. It is further estimated that there will be paid out an additional amount to provide for these increased benefits to our disabled war veterans amounting to approximately \$83,000,000 annually.

Section 26 of the new law reinstated the former compensation rates for totally blind World War veterans, except where the veteran is being furnished hospital care by the Government and except as to cases involving fraud, mistake, or misrepresentation.

Section 27 provides for the payment of compensation to veterans who, on March 19, 1933, had established service connection under section 200 of the World War Veterans' Act of 1924, as amended, and reenacted the provisions of that section as to such cases, except where the veteran entered the service subsequent to November 11, 1918, where clear and unmistakable evidence discloses that the disease, injury, or disability had inception before or after the period of service, unless there was aggravation or where the prior service connection had been established by fraud, clear or unmistakable error, or misrepresentation, but as to all cases em-

braced by these three exceptions, all reasonable doubt is to be resolved in favor of the veteran and the burden of proof is to be upon the Government. Payment in such cases is to be 75 percent of the amount payable in such cases on March 19, 1933.

Section 28 provides for the restoration of the World War rates in effect on March 19, 1933, for service-connected disability, except that reduction is permitted in accordance with regulations pertaining to payment of pension to men in hospitals. It continues the rating schedule in effect on March 19, 1933, under which ratings are based as far as possible upon the average impairment of earning capacity in civil occupation similar to the occupation of the veteran at the time of his enlistment. It further provides for service connection in death cases for the widows and children of those veterans who died prior to the enactment of the new act and who, if living, would be able to reestablish service connection thereunder.

The limitations as to receipt of pension and salary by Government employees and as to the 50-percent reduction of benefits while any person entitled thereto resides outside the continental limits of the United States are not for application in these cases.

Section 29 amends section 6 of the Economy Act of March 20, 1933, as amended, by adding a provision authorizing hospitalization or domiciliary care within the limitations existing in Veterans' Administration facilities of any veteran of any war, not dishonorably discharged, who is suffering from disability, disease, or defect and who is in need of hospitalization or domiciliary care and is unable to defray the necessary expenses therefor, including transportation to and from the hospital. It provides that the statement under oath of the veteran as to his inability to pay for the service sought shall be accepted as sufficient.

Section 30 provides as to those veterans of the Spanish-American War who entered service on or before August 12, 1898, and persons who served in the Boxer Rebellion or the Philippine Insurrection who were on the rolls March 19, 1933, receiving pension for disability or age by virtue of the new law are entitled to receive not less than 75 percent of the pension being paid to them on March 19, 1933, subject to the limitation requiring exemption from Federal income tax and as to Federal employees, the limitation that not more than \$6 per month can be paid to such employee if his salary, if single, exceeds \$1,000, or if married, \$2,500. The provisions pertaining to payment of pension to men in hospitals, as established under Public, No. 2, and the veterans' regulations, are applicable to these cases. The benefits of this amendment do not extend to disabilities resulting from willful misconduct.

The limitations as to the 50-percent reduction of benefits while any person entitled thereto resides outside the continental limits of the United States is not for application in these cases.

Section 31 reestablishes the provisions of section 213 of the World War Veterans' Act, whereby a person who is injured as a result of training, hospitalization, or medical or surgical treatment or examination is awarded compensation on the same basis as if the condition were incurred in the military or naval service. Application must be made within 2 years after the injury or aggravation or death, or after the passage of the act, whichever is the later date.

Section 32 repeals that portion of section 9 of the Economy Act which barred persons in receipt of benefits from participating in any determination or decision with respect to claims for benefits.

Section 33 changes the title of payments to be made in service-connected cases of World War veterans from pension to compensation.

Section 34 provides that payments shall be effective from date of passage of the act.

Section 35 provides for the payment of those insurance claims which have been determined to be payable prior to but in which payment has not commenced on March 19, 1933.

This briefly covers the main points of the veterans' provisions of the new Independent Offices Appropriation Act as interpreted by the Veterans' Administration. Under the Economy Act last year more than 29,000 veterans were removed from the rolls on the grounds that their disabilities were not service-connected; yet, approximately 90 percent of these are tubercular cases. The passage of this legislation restores 75 percent of the former compensation in cases in which the benefits were reduced and brings back to good standing that class of cases designated as "presumptive."

Many veterans' cases have been handled by me during my service in Congress, and I have observed that there are many worthy cases which could not be successfully adjudicated because the veterans were unable to contact either their doctor who treated them during the time of the war or to contact their comrades who might have had some actual knowledge of their condition at that time.

As I just stated, under this new act the burden of proof rests upon the Government rather than the veteran, and this is most fair, because after all these years many veterans have lost the ability to prove their cases. Under the Economy Act more than \$486,000,000 had been taken away from the veterans and only \$117,000,000 had been restored to take care of special cases. This restoration, however, did not take care of the thousands of worthy cases which the veterans could not sustain through no fault of their own.

My vote for the full payment of the adjusted-service certificate in behalf of the veterans and my vote for the independent offices appropriation act are the only two occasions on which I have not voted with the present administration. While H.R. 1, providing for the full payment of the adjusted-service certificates, has not been made law, I am hopeful that it will be enacted into law at this session of Congress. I sincerely believe, however, if the bonus is paid in full, that, together with the veterans' provisions of the independent offices appropriation act, will do as much to fight the depression and bring back prosperity as any other legislation advanced by the recovery program.

I feel certain that the veterans of my district know that I have always been their consistent friend. My interest in their behalf did not start with the present session of Congress or in the last few months. I have tried to be sympathetic with their interests at all times. I am in receipt of a letter from Hon. John Thomas Taylor, vice chairman, national legislative committee of the American Legion. I also received a letter to the same effect from Hon. James E. Van Zandt, commander in chief, Veterans of Foreign Wars:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
ROOM 625 BOND BUILDING,
Washington, D.C., March 30, 1934.

HON. CHARLES L. ABERNETHY,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: May I take this opportunity to express to you, in clear and unmistakable language, our sincere appreciation of the action which you took on March 27, in voting to make certain that the amendments to the independent offices bill dealing with World War veterans were enacted into law.

In my opinion, this is the most important legislation that has ever come before the Congress, affecting as it did the very life of thousands of disabled World War veterans and the future welfare of their dependents.

Their care is now, and always has been, the chief concern of the American Legion, and it is for this reason that I want you to know, as I know, the deep sense of gratitude the veterans throughout the country have for what you did for them on March 27.

Very sincerely yours,

JOHN THOMAS TAYLOR,
Vice Chairman, National Legislative Committee.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
March 30, 1934.

Congressman CHARLES L. ABERNETHY,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I wish to convey to you the sincere thanks of the Veterans of Foreign Wars of the United States for your vote and support which resulted in the return of benefits to so many of our deserving war veterans.

We, of the Veterans of Foreign Wars, who have all served this Nation in actual war zones, are happy to recognize the significant part you played in the above-mentioned restoration. The grim

despair and deep sorrow which was written into the lives of so many of the Nation's defenders has been greatly lifted by your sincere consideration.

I am confident that you must feel a sense of gratification to know that thousands of unfortunate war veterans have been made happy in the knowledge that a grateful Nation will not forget their sacrifice in time of war.

Very sincerely,

JAMES E. VAN ZANDT,
Commander in Chief.

I am pleased that my action has met the approval of two of the great veterans' organizations, and I hope the veterans in my district will take the opportunity to write me, so that I may have their views on any legislation that affects them. This will be most helpful to me, as I will no doubt be called upon again to vote on measures of vital concern to them.

Mr. Speaker, while I have been absent from some of the sessions of the House, due to illness, I am pleased to inform the House and the people of my district that I have regained my health and strength and am now in a position to carry on my duties with old-time vigor.

Some are trying to make political capital out of the fact that I have been ill, greatly aggravated by the strenuous work with my heavy duties as a Member of this House. I am sure that this attempt to capitalize my illness, in an effort to build up their own political fortunes, will be condemned by the people of my district and that I will be returned to Congress again by an increased and overwhelming majority. [Applause.]

Mr. JOHNSON of Oklahoma. Will the gentleman yield for a question?

Mr. ABERNETHY. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. May I ask if the gentleman can give us some information as to when the provisions of the independent offices bill affecting veterans will be put into effect?

Mr. ABERNETHY. My understanding is it will be immediate. This is my understanding from the Veterans' Administration.

TREASURER OF THE STATE OF MISSISSIPPI

The Clerk called the next bill, H.R. 3345, to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 534971, drawn April 3, 1929, in favor of the Mississippi State treasurer, for \$1,871.02, and lost, stolen, or miscarried in the mails.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

T. J. MORRISON

The Clerk called the next bill, H.R. 3551, for the relief of T. J. Morrison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. J. Morrison, of Elizabethtown, Ky., the sum of \$210 for water actually supplied to the post office at Ravenna, Ky., during the period of 9 years and 5 months from November 27, 1922, until April 27, 1932.

With the following committee amendments:

Page 1, line 6, strike out "\$210" and insert in lieu thereof "\$195.41 in full settlement of all claims against the Government of the United States"; and on page 2, after the figures in line 1, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating

the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

O. S. CORDON

The Clerk called the next bill, H.R. 3579, for the relief of O. S. Cordon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to O. S. Cordon, postmaster at Rigby, Idaho, the sum of \$17.37 to reimburse him for the amount of postal funds lost as a result of the failure of the First National Bank of Rigby, Idaho.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BULFINCH

The Clerk called the next bill, H.R. 3580, for the relief of Paul Bulfinch.

Mr. HOPE. Mr. Speaker, reserving the right to object, I presume the author of the bill will have no objection to an amendment providing that this shall be in full settlement of all claims against the Government of the United States and also the usual attorneys' fee provision.

Mr. COFFIN. That is perfectly satisfactory, Mr. Speaker. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Bulfinch, postmaster at American Falls, Idaho, the sum of \$158.54 to reimburse him for the amount of postal funds lost by him as a result of the failure of the First National Bank of American Falls, Idaho, on February 8, 1923.

The Clerk read as follows:

Amendment offered by Mr. HOPE: After the figures in line 6, insert "in full settlement of all claims against the Government of the United States"; and at the end of line 9, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCES E. ELLER

The Clerk called the next bill, H.R. 3611, for the relief of Frances E. Eller.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I notice that all that was ever asked by the claimant in her bill of particulars was \$422.50. Will the gentleman agree to reduce the amount to \$422.50?

Mr. GAVAGAN. Yes.

Mr. HANCOCK of New York. That amount embraces every item of damage asked for in this report, as I read it. I also presume the gentleman will have no objection to the usual attorneys' fee amendment?

Mr. GAVAGAN. I will accept both amendments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frances E. Eller the sum of \$500. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from an accident involving a United States mail truck.

The Clerk read the amendment offered by Mr. HANCOCK of New York, as follows:

Amendments offered by Mr. HANCOCK of New York: In line 5, strike out "\$500" and insert in lieu thereof "\$422.50"; and, at the end of line 8, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA C. TALMADGE

The Clerk called the next bill on the calendar, H.R. 3614, for the relief of Clara C. Talmadge.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Reserving the right to object, the party seeking relief has had herself transferred to the Civil Service Retirement Commission and is receiving \$121.72 a month. From what I can gather, she has been paid something like \$2,500 or \$4,900. I do not see why she wants a lump sum.

Mr. GAVAGAN. This woman is permanently injured. Her right leg is shortened 1¾ inches and badly deformed. She has a 10-percent disability in her left foot and suffers continuous pain in her hips and spine and is compelled to walk on crutches. The accident happened solely through the negligence of the Government. She has been for 8 long months in a hospital, and she has paid all these bills herself. She is permanently disabled and helpless.

Mr. HANCOCK of New York. Did not she receive the benefits of the Compensation Act?

Mr. GAVAGAN. No, sir; she did for a time, but they have been discontinued. This is in full settlement of all claims against the Government.

Mr. ZIONCHECK. She would receive compensation from the Civil Service Retirement Commission besides this settlement?

Mr. GAVAGAN. That is correct; but she has been contributing to that fund.

Mr. O'MALLEY. She has been contributing to that fund, and she would get that anyway.

Mr. GAVAGAN. Yes; she has an inherent right to that.

Mr. ZIONCHECK. Mr. Speaker, as far as I am concerned, I will not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, and in full settlement against the Government, the sum of \$5,000 to Clara C. Talmadge on account of injuries sustained on January 11, 1928, and while in the performance of her duties as a stenographer in the United States Customs Service at appraiser's warehouse building, 641 Washington Street, New York City, N.Y.

With the following committee amendment:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. TRUAX. Mr. Speaker, I move to strike out the last word.

Mr. Speaker and Members of the House, the bill we just passed appropriated \$5,000 without any provision being made to raise the revenue. There are 361 on the list today, and if all were passed it will appropriate \$1,842,396.95 out of the Treasury.

I think that the question of taxation is going to be the most serious one in this country, and it certainly is in my own State. In my State all public schools are going to need Federal aid soon if they are to remain open.

Last night the Ohio State Legislature defeated a bill proposed by the Governor to levy a 3-percent sales tax on the people of my State. It is the third time that the legislature has refused to enact a vicious, unfair sales tax, as advocated by Gov. George White. Our State has to raise \$72,000,000, and it was contemplated by the Governor that the sales tax would raise \$52,000,000. Schools will close because the Governor has his long arm of protection around the public utilities, big bankers, and loan sharks. The Governor refused to tax the public utilities. Like all the big bank racketeers, he wants to tax the common people instead of taxing the vested interests, and like all of the millionaire crowd, he chooses the sales tax as the proper vehicle to soak the poor and protect the rich.

Seventy percent of all of the commodities sold in this country are purchased by individuals with \$5,000 annual income or less. So you can readily perceive that 70 percent of the revenue derived from a sales tax would fall upon the backs of people with small incomes.

Statisticians in my State of Ohio state that today 80 percent of the State's income is received by only 10 percent of our people. In other words, 90 percent of Ohio's citizens are receiving only 10 percent of the wealth being created.

Yet Governor White, known as "Sales Tax George", wants to shift an additional burden of \$52,000,000 on the backs of this 90 percent of the people who are receiving only 10 percent of the income.

For years past I have fought the sales tax with every ounce of energy and effort at my command. I shall continue this fight, unrelenting and undaunted. In my campaign for the nomination for United States Senator, unalterable opposition to a sales tax in any form whatsoever will be one of the planks in my platform.

He refuses to tax the money in the banks, except a nominal sum of \$2 per thousand, which the banks gladly pay in order to get the deposits. He refuses to tax wealth. He refuses to place a tax on the corporations, and our State is in the position of having no revenue with which to keep open its public schools. A protest came in this morning from the town of Dennison, the home of my colleague, Mr. West, in which it was stated that the teachers there had been paid for only 5 weeks' salary out of this term of school. We have similar protests from many other towns in the State, all because we have a Governor who is protecting the public utilities, the big bankers, the 36-percent loan sharks. We could raise \$10,000,000 a year by taxing the 36-percent loan sharks 10 percent. They are charging their borrowers 36 percent, and we can raise \$20,000,000 a year by taxing the public utilities in my State. Yet this man, who represents all of these big interests and is the mouthpiece of them, wants to come to the United States Senate this year as the junior Senator from Ohio.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. BLACK. Who should come?

Mr. TRUAX. Modesty prevents my suggesting that the gentleman from Ohio who is now addressing the House would be the proper person.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. CULKIN. Is this speech made for the information of the House or for home consumption, or to advance the gentleman's own candidacy?

Mr. TRUAX. I would say to the gentleman that it is for all three purposes. But, Mr. Speaker, when we are appropriating thousands of dollars every day, with no provision

made to finance them, it is time for us to pause and consider how it is going to be paid. When we passed the veterans' legislation we were criticized because we did not provide the revenues to finance what it would cost. It is my purpose to correct that by introducing a bill that will tax public utilities in this country enough to pay that \$228,000,000. Our present revenue bill just scratches the surface of taxation. In the case of incomes of \$500,000 and over, the surtax is raised only from 57 percent to 59 percent. I would make it 95 percent, at least. On all incomes of over \$100,000 a year I would tax them 95 percent on the excess, and I think we ought to cut that down to \$75,000, because certainly no man in this great country of ours is worth any more per year than is the President of the United States, Franklin D. Roosevelt, worth to the people of this great country of ours. We have not made any attempt to tax wealth, to tax the huge corporations as they should be taxed. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. BLACK. Mr. Speaker, I rise in opposition to whatever the gentleman was doing. It is unnecessary for me to inform the House why I did not raise the point of order against the gentleman's speech, which was entirely out of order. The reason ought to be obvious, that while I am really very fond of the gentleman, yet anything that I can do, so long as I have charge of the Private Calendar, to help him on his way to the Senate I should gladly do, even to the point of withholding points of order.

Mr. CULKIN. Does the gentleman think that helping the gentleman on his way to the Senate would help the Private Calendar any?

Mr. BLACK. Well, it might help the Senate some.

THELMA LUCY ROUNDS

The Clerk called the next bill, H.R. 3636, for the relief of Thelma Lucy Rounds.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. The person for whom relief is sought was in the armory of the ship, an unauthorized part of the ship for visitors, as I gather from the report, and was shot in the leg.

Mr. MARTIN of Massachusetts. Yes.

Mr. ZIONCHECK. While inspecting a pistol in the hands of some private?

Mr. MARTIN of Massachusetts. She was not inspecting the pistol. The lady was on the ship. It was visitors' day, and she was permitted to go over the ship. The sailor was showing her the ship and displayed a revolver which accidentally discharged, and a bullet went through her leg.

Mr. ZIONCHECK. Went through the calf of her leg?

Mr. MARTIN of Massachusetts. Yes.

Mr. ZIONCHECK. What is the nature of the permanent injury she suffers now?

Mr. MARTIN of Massachusetts. I could not tell you how she is at the present moment. She was in bad shape for a good many months after the accident and is clearly entitled to reimbursement. If the accident happened aboard a privately owned ship she would have been able to go to court and secure damages.

Mr. ZIONCHECK. In the matter of an injury like that, I think \$1,500 is about all she ought to have.

Mr. MARTIN of Massachusetts. Cannot the gentleman make it \$2,000?

Mr. ZIONCHECK. No; \$1,500; and I think that is \$500 more than it is worth. With that understanding, I shall not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to Thelma Lucy Rounds, Fall River, Mass., as full compensation for injuries received while visiting the U.S.S. *Bridge* at Newport, R.I., on July 12, 1931, when an enlisted man showing visitors a revolver fired a shot through Miss Round's leg, causing injuries which resulted in a long period of unemployment.

With the following committee amendments:

Page 1, line 6, strike out "as full compensation" and insert "in full settlement of all claims against the Government of the United States."

At the end of the bill insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 5, strike out "\$2,500" and insert in lieu thereof "\$1,500."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JULIA E. SMITH

The Clerk called the next bill, H.R. 3705, for the relief of Julia E. Smith.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to Julia E. Smith.

With the following committee amendment:

Page 1, line 6, after the words "Julia E. Smith", insert "in full settlement of all claims against the United States because of personal injuries sustained by the said Julia E. Smith when struck and injured on or about October 13, 1925, in the city of Boston, Mass., by a motor truck owned and operated by the Post Office Department of the United States: *Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*"

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CAPT. GUY M. KINMAN

The Clerk called the next bill, H.R. 3725, for the relief of Capt. Guy M. Kinman.

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent to substitute for the House bill the Senate bill, S. 163.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy M. Kinman, captain, United States Army, Washington, D.C., the sum of \$1,582.70, in full satisfaction of his loss on account of damage by water to his household goods on August 18, 1931, while temporarily in authorized storage in a Government warehouse at Fort Myer, Va., in connection with authorized change of station.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

MARY ORINSKI

The Clerk called the next bill, H.R. 3748, for the relief of Mary Orinski.

Mr. ZIONCHECK. Reserving the right to object, will the author of the bill explain the bill, please?

Mr. SADOWSKI. Mr. Speaker, in this case Mary Orinski deposited two \$500 Liberty bonds as collateral for a bond executed by one Mr. Loch for the appearance of an alien in deportation proceedings at Detroit. This alien disappeared for awhile, but they located him. In the meantime the bonds had been turned over to the Treasury Department and could not be converted into cash again. The Treasury Department and the immigration authorities are all willing to give this money back to Mrs. Orinski, who put up the Liberty bonds for his appearance.

I might say that Mrs. Orinski, backed by Mr. Loch, the other surety, was responsible in again reaching this alien and delivering him over to the authorities. He was deported, sent to Europe, and is not here any longer. The Department of Labor has given a favorable report on this bill.

Mr. ZIONCHECK. Does the gentleman think this is a good bill?

Mr. SADOWSKI. I think so.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 to Mary Orinski, which sum was paid by the said Mary Orinski to the United States on the bond of Stefan Krync: *Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HUNTER B. GLASSCOCK

The Clerk called the next bill, H.R. 3749, for the relief of Hunter B. Glasscock.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to credit the account of Hunter B. Glasscock, former postmaster at Springton, W.Va., in the sum of \$623.60. Such sum represents the amount due the United States on the final auditing of the account of the said Hunter B. Glasscock covering the period from his resignation on July 3, 1931, to December 10, 1931, both dates inclusive, during which period another person was in charge of the post office at Springton, W.Va. By reason of the failure of such person to file a bond he was not, under the postal laws and regulations, duly qualified as acting postmaster, and the said Hunter B. Glasscock is held responsible for the conduct of the post office during such period.

Sec. 2. The surety on the bond of the said Hunter B. Glasscock, as postmaster at Springton, W.Va., is hereby relieved of any liability on account of such shortage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ARABELLA E. BODKIN

The Clerk called the next bill, H.R. 3868, for the relief of Arabella E. Bodkin.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Arabella E. Bodkin, or her executors or administrators, the sum of \$28,000 in compliance with the findings of the Court of Claims in the case of Arabella E. Bodkin, sometimes named and referred to as "Mrs. Patrick H. Bodkin", against the United States; such findings having been made pursuant to the act of March 4, 1927 (ch. 517, 44 Stat.L., pt. III, 1845), entitled "An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mrs. Patrick H. Bodkin." The payment provided for herein shall be in full settlement of all claims and demands arising out of the subject matter referred to in the findings of the Court of Claims.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

R. A. WILLIAMS

The Clerk called the next bill, H.R. 3936, for the relief of R. A. Williams.

Mr. HANCOCK of New York. Reserving the right to object, is the author of the bill present? It seems to me this is a very far-fetched claim. This rural mail carrier suffered from dysentery and arteriosclerosis. He has just seen the doctor recently about it. He claims that that is incident to his service as a rural mail carrier sometime between 1903 and 1917. It does strike me as a pretty far-fetched claim, and I will have to object unless someone can enlighten me.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Mr. Speaker, I object.

GRACE P. STARK

The Clerk called the next bill, H.R. 3952, for the relief of Grace P. Stark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grace P. Stark, of Marked Tree, Ark., the sum of \$161.58 as full reimbursement for loss by bankruptcy of the First National Bank at Marked Tree, Ark., of postal funds which she was required by the Post Office Department to replace.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Postmaster General is authorized and directed to credit the accounts of Grace P. Stark, postmaster at Marked Tree, Ark., in the sum of \$161.58. Such sum represents the amount of a deficit in the accounts of the said Grace P. Stark, caused by the loss of postal funds deposited in the First National Bank of Marked Tree, Ark., which failed November 15, 1926."

The committee amendment was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent that I may speak out of order and that my time may be extended 5 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McGUGIN. Mr. Speaker, in the inquiry being held by the select committee into the issues presented by Dr. Wirt there is a patent and obvious determined effort to suppress information and not to obtain information. From the introduction of the second Bulwinkle resolution and until now every turn has been one of suppression of truth rather than a presentation of truth.

This second Bulwinkle resolution which was adopted by the House unduly restricts and narrows the issues. In this respect, it is unlike all other resolutions enacted by the Congress authorizing an inquiry into a particular subject.

The appropriation of \$500 as expenses for this inquiry is upon its face an appropriation so low as to be for the purpose of starving the inquiry rather than supporting the inquiry. Within the past few weeks, the House has appropriated \$10,000 to investigate the Nazis and \$500 to inquire into what is being done in our own Government.

The first official act of the select committee was to adopt a rule of procedure for the first day's hearing. This rule of procedure is unlike any other rule of procedure ever prescribed for a congressional inquiry. This rule limited the inquiry to a few specific questions and answers from one witness. It denied to Dr. Wirt an opportunity to make an opening statement. When by this rule of procedure Dr. Wirt was denied an opportunity to make an opening statement, he was denied a right and a courtesy which has never been denied to the hundreds and thousands of other witnesses who have appeared before congressional committees. When Dr. Wirt appeared as a witness before the committee, there was with him as his counsel the Honorable James A. Reed, of Missouri.

As soon as Senator Reed opened his mouth he was informed by the chairman of the committee that Dr. Wirt would not be entitled to counsel. This conduct on the part

of the chairman was so out of keeping with the rights of witnesses appearing before such committees that the committee as a whole sitting before the country did not dare uphold the first ruling of the Chair. It modified this ruling and permitted Senator Reed to remain with Dr. Wirt as counsel, but it placed humiliating restrictions upon Senator Reed as counsel, which restrictions were an affront to the privilege of a counsel in any American judicial or quasi-judicial hearing.

The two minority members of this committee are being humiliatingly denied the rights and opportunities which should be given to minority members of a committee.

Mr. BLANTON. Mr. Speaker, will the gentleman from Kansas yield for a question?

Mr. McGUGIN. No; I cannot yield.

Mr. BLANTON. Mr. Speaker, I think the gentleman should yield. He did not advise us of the subject on which he intended to speak.

Mr. McGUGIN. I will yield when I conclude my statement.

Mr. BLANTON. I merely wanted to ask the gentleman whether or not he advised the gentleman from North Carolina [Mr. BULWINKLE] that he was going to make this attack on him.

Mr. McGUGIN. No.

Mr. BLANTON. I think it was due him. I do not think the gentleman from Kansas should take this advantage of him in his absence.

Mr. McGUGIN. Mr. Speaker, I yield no further. Mr. BULWINKLE is welcome to come upon the floor and hear these remarks.

Mr. BLANTON. The gentleman from North Carolina [Mr. BULWINKLE] is now here; he can take care of himself, which obviates my making a point of order.

Mr. McGUGIN. We are denied any right to call witnesses.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I cannot yield.

We are denied any right to call witnesses upon our own responsibility. Furthermore, when we ask the committee as a whole to subpoena witnesses we are told that this committee will have to think about that later. Then when we offer a motion to call a specific witness for a given time, we are voted down, 3 to 2.

Until the two minority members of this committee have the right and the privilege to have subpoenaed before this committee any and all witnesses whom they may ask for, this inquiry will remain a shameful spectacle of the administration of American justice. What kind of proceedings would it be in a court if only one side were permitted to call witnesses for examination? What would have been the history of and the result of former congressional hearings if minority members had been denied the right to call witnesses before the committee for investigation?

Let us take the Teapot Dome investigation. What would it have amounted to if the late Senator Walsh of Montana, a minority member, had been permitted to call before the committee for examination only such witnesses as the majority members would permit? Senator Walsh was not only permitted to call whomsoever he pleased, but in addition to that he was given sufficient expense money to go to various parts of the country and to compel, under oath, the men to give such information as they possessed. That program constituted an honest, sincere effort to ascertain the truth. It was only from such a procedure that the truth was obtained. In the present instance, a directly opposite procedure is being followed.

There was some dishonest public conduct in former Republican administrations but I call upon anyone to point to the instance when any official conduct was being investigated that the Republican majority denied to the Democratic minority the opportunity to call before an open hearing any and all witnesses for examination, whom the minority had chosen to call. Yes, we have had some dishonest conduct on the part of some officers in our former Republican administrations but a Republican majority has never notoriously and brazenly taken the responsibility of endeavoring to con-

done and protect the dishonesty by denying to minority Members the right to bring before congressional hearings any and all witnesses they chose to call.

This committee cannot continue with its present procedure of gagging this investigation and tying the hands of the minority Members without the Democratic majority in this House standing before the country as being responsible for a suppression of the truth. There is only one construction which an intelligent American public can place upon such conduct and that is that the majority is not only afraid to have the truth presented to the people but that it has the hardihood brazenly to suppress the truth. I do not think that the majority of the individual Democratic Members in this House are in sympathy with such conduct, however, if this committee is to continue to carry out these policies it can only do so because its conduct is being permitted and condoned by the majority party which is in control of the House of Representatives.

Up to date this committee is being dominated by the gentleman from New York [Mr. O'CONNOR]. He is the gentleman who presented and sponsored the gag rule of procedure which has limited the inquiry of this committee to Dr. Wirt and to such people as he may name and as the committee is willing to permit to be called for examination.

Yesterday the committee met. The two minority members requested that every person named by Dr. Wirt be called for an examination before the committee. These names included Rexford G. Tugwell, the Assistant Secretary of Agriculture; Frederick Howe, Consumers' Counsel in the A.A.A.; General Westervelt, former official in the Agricultural Department; and Secretary Wallace.

[Here the gavel fell.]

Mr. MCGUGIN. Mr. Speaker, my time has not expired; I had 10 minutes altogether.

Mr. BLACK. The request was for 10 minutes, Mr. Speaker.

The SPEAKER pro tempore. The Chair did not put such a request. The Chair did not so understand the request of the gentleman.

Mr. MCGUGIN. Mr. Speaker, I asked unanimous consent to speak out of order, and that I be permitted to speak for 5 additional minutes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas be permitted to proceed for 5 additional minutes, and following him that the gentleman from North Carolina [Mr. BULWINKLE] be permitted to proceed for 10 minutes, to afford him an opportunity to reply.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I have endeavored to ask the gentleman from Kansas a question, but he does not care to yield. I am perfectly willing that the gentleman from Kansas be allowed to talk if he will yield for some questions.

Mr. MCGUGIN. I shall yield for questions after I conclude my remarks, but certainly the gentleman will permit me to finish my remarks.

Mr. McFADDEN. Mr. Speaker, reserving the right to object, the gentleman asked for an additional 5 minutes. Is it to be granted or not?

Mr. BLANTON. But in connection with that I asked unanimous consent that the gentleman from North Carolina [Mr. BULWINKLE] be allowed to proceed for 10 minutes, so that they may have equal time.

Mr. McFADDEN. But prior to that, before the gentleman from Kansas began to speak, he asked that his time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas that the time of the gentleman from Kansas be extended 5 minutes and that the gentleman from North Carolina be given the same amount of time at the termination of the remarks of the gentleman from Kansas?

There was no objection.

Mr. MCGUGIN. The three majority members informed us that the only ones who will be subpoenaed would be the six people who had attended a dinner party in Virginia. When the motion was presented to subpoena these six people

I offered an amendment to the motion to include a subpoena for General Westervelt. It was voted down by the three majority members.

General Westervelt was quoted by Dr. Wirt as having said that Frederick Howe, Consumers' Counsel in the A.A.A., told him, General Westervelt, that their program is being thwarted because too many people are being fed. There is only one interpretation to be placed upon that statement and that is that Mr. Howe's program is completely to destroy our present economic and social structure and that can only be done when the people are hungry.

Such a statement is disloyalty to recovery as is advocated by the administration and as the people of the country understand recovery. Yet the majority members of this committee deny the request of the minority members to bring before the committee General Westervelt, who is the man who can establish the truth or falsity of this statement on the part of Mr. Howe, a high and responsible official of the A.A.A.

The truth is that the political philosophy of the gentleman from New York, who is dominating this committee, is the political philosophy of Tammany. Of course, Tammany is committed to the proposition that the way to run government is to run it rough shod and to suppress all opposition. Tammany from cruel experience has learned that it is sometimes costly for a party in power to permit a sincere and serious investigation of public conduct. It has learned this on more than one occasion. The last occasion was the Seabury investigation. What would the Seabury investigation had been if Mr. Seabury had not had the right to call any witness whom he chose to call, and if Tammany could have dictated the names of witnesses to be subpoenaed?

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. MCGUGIN. I yield.

Mr. BLACK. The gentleman evidently does not know that Mr. Seabury did the same thing to the Tammany members of the minority that is happening to the gentleman today. It always happens to minorities of committees. I served as a minority member on a committee with Mr. Lehlbach in 1928 and wanted Bishop Cannon subpoenaed for the very thing for which he is now on trial, but they would not subpoena him for me; they turned me down on every application.

Mr. MCGUGIN. They should not have done it.

Mr. HANCOCK of New York. Did the gentleman approve of that?

Mr. BLACK. Not then.

Mr. MCGUGIN. Dr. Wirt quoted a statement from Professor Tugwell as follows:

It is, in other words, a logical impossibility to have a planned economy and to have business operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required.

I want Professor Tugwell called before this committee. I want to know if in the administering of his official duties he is proceeding upon the theory that in inaugurating the present planned economy that it is a logical impossibility to have this planned economy with business operating its own industries, and likewise if it is a logical impossibility to have the planned economy under our present constitutional and statutory structure. I want to know in the carrying out of his present official duties if he is proceeding upon the theory that we must have modifications so serious in both our business structure and our constitutional and statutory structure as to mean destruction and rebeginning.

Dr. Wirt quoted Professor Tugwell as follows:

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

I want to know from Professor Tugwell if in his administering the agriculture act he is doing so in the light of this statement when he said that business will logically be required to disappear and that he made the statement not as an overstatement for the sake of emphasis but that it was literally meant.

I want to call the three directors of the Tennessee Valley Authority before this committee to ascertain by what authority of law they are setting up subsidiary corporations which are authorized to engage in the business of farming, selling and distributing farm products, manufacturing and selling goods and wares of every description, to lend money to any person, firm, or corporation with or without collateral, to borrow money and issue evidences of indebtedness without limit as to amount, and also to deal in and purchase stocks or other securities of any person, firm, associations, or corporation.

These directors of the T.V.A. have organized two of these subsidiary corporations. In one of them, Harry Hopkins, from emergency relief funds, is reported to have purchased stock. Harold Ickes, Public Works Administrator, is reported to have taken a million dollars of public-works funds to purchase the stock in the other subsidiary corporation. I want Mr. Hopkins and Mr. Ickes called before this committee to tell the committee and the country by what authority of law they are taking Public Works funds and purchasing the stocks of corporations, which corporations are authorized to engage in the business of farming, processing, and selling farm products and livestock, to engage in the business of manufacturing and selling goods and wares of every description, to lend money or endorse the obligations of individuals, firms, and corporations with or without collateral security, also to borrow money and issue evidences of indebtedness without limit as to amount and also to deal in and purchase the stocks and bonds of any corporation.

If it develops that there is no authority in law for the organizing of these two subsidiary corporations and for the using of Public Works funds for the purpose of purchasing stock in such corporations, then it stands that here are five men in the executive department of the Government who are operating without regard to the statutory and constitutional structure of the Government of the Republic under the Constitution.

If it is so established, then the issues presented by Dr. Wirt are proved, namely, that there are those in control of the executive department of the Government who are proceeding in a manner which amounts to an overthrow of the Republic under the Constitution, obviously not an overthrow by violence but an overthrow by a complete disregard for the laws and the Constitution of the Republic.

[Here the gavel fell.]

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to finish his remarks.

Mr. McGUGIN. One minute will be all the time I need.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman's time will be extended for 1 minute.

There was no objection.

Mr. McGUGIN. This hearing will not be an open, fair American proceeding of which the American people may look upon with pride until the minority Members are permitted to call before the committee any and all witnesses they choose to call, and until the Honorable James A. Reed, as counsel for Dr. Wirt, is permitted to exercise all the rights and privileges of counsel in such proceedings. The rights of counsel in an American sense mean that Senator Reed as counsel for Dr. Wirt will have the right to cross-examine in open hearing any witness who appears before the committee to refute any statement made by Dr. Wirt.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. Certainly.

Mr. O'MALLEY. The gentleman wants to subpoena everybody but the President of the United States in his inquiry; why not include the President?

Mr. McGUGIN. If we were shown some reason why he should be subpoenaed, I would have no objection to the President being subpoenaed.

Mr. O'MALLEY. The gentleman is trying to turn this investigation into a pow-wow for Republican campaign purposes, and it is a perfectly ridiculous effort.

[Here the gavel fell.]

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. BULWINKLE] is recognized for 11 minutes.

Mr. BULWINKLE. Mr. Speaker, I, with others possibly, cannot understand the procedure that we have witnessed just now. I know that it is not proper for a member of a committee of this House, before a decision is made, for the purpose of publicity and publicity only, to make a statement on the floor with reference to the proceedings of the committee. The rules of common decency require that the gentleman and I, and every man in this House serving on a committee, wait until the decision of the committee has been rendered before we criticize its conduct.

Wrong? Why, of course, the gentleman is wrong, as I stated yesterday, and the gentleman is usually wrong. The committee did not say yesterday that they would not call General Westervelt.

Mr. McGUGIN. Did not the committee vote down my request for General Westervelt to be subpoenaed?

Mr. BULWINKLE. No. They said for the first hearing they would have these six. That is what they said. Oh, I know that the gentleman is sore because he thought Dr. Wirt was going to say something for him to work on. Dr. Wirt was a flop, just like some of the remarks that the gentleman from Kansas makes. It amounts to nothing else; just that. Why, the gentleman himself as a Member of this House on Saturday, March 24, made a statement, and I tell you that the committee has followed what the gentleman suggested to the letter.

Mr. McGUGIN. Will the gentleman yield?

Mr. BULWINKLE. Not now. I quote:

If the gentleman will keep quiet, that is what I am coming to. That is a strong statement that has come to the attention of the committee of this House—

The statement about Roosevelt being a Kerensky—

and I say that the obligation is on the committee to bring Dr. Wirt before the committee and under oath make him tell who the man is that made the statement to him.

The gentleman knows or should have known that yesterday the chairman allowed and permitted Dr. Wirt to go on with his statement about General Westervelt, and that what General Westervelt said happened after the publication even of the Rand statement.

Mr. McGUGIN. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Kansas.

Mr. McGUGIN. The speech the gentleman is talking about was made before even this committee was being considered. The committee I was talking about there was the Committee on Interstate and Foreign Commerce and obviously that committee could not go any further than Dr. Wirt, but now that we have a select committee, which is investigating the matter, they should go into it fully.

Mr. BULWINKLE. I cannot help it if the gentleman now tries to crawl out of his statement.

Mr. McGUGIN. Will the gentleman quote my other speeches?

Mr. BULWINKLE. I cannot quote them all. They run from one extreme to the other. Again quoting the speech of the gentleman—

The President of the United States, the Congress, and the people of this country have a right to know whether Dr. Wirt told the truth.

Is that not what the gentleman wants to find out?

Mr. McGUGIN. Certainly.

Mr. BULWINKLE. That is what the gentleman said.

Mr. McGUGIN. I want all witnesses called.

Mr. BYRNS. Why is it necessary to have present one of the most-distinguished lawyers in the whole of the United States in order to tell the truth before this committee, which is simply conducting an inquiry as to the source of this information?

Mr. BULWINKLE. The gentleman from Kansas knows we are not prosecuting or persecuting Dr. Wirt, not in the least. He was not here to be investigated. If he had been, I would have gone into his private character. If he had been, I would have brought out from him the fact that during the war, whether or not on account of his pro-

German activities, he was confined in the jail at Gary, Ind. I did not bring any of that before the committee. There was not the least bit of persecution of Dr. Wirt. The investigation was just simply to find out who it was in the Government that made certain statements shown in the Rand testimony. I cannot help it if the gentleman did not get out of Dr. Wirt what he expected to get. I know the gentleman is disappointed. I could see it all day yesterday that the gentleman was disappointed because he thought he was going to get some great hullabaloo that he could go before the people of this country with, and he could not say a thing after it happened.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Probably the gentleman and some Members on his side, as a result of the returns in Illinois yesterday, are even more panicky for a campaign issue than before they got hold of Dr. Wirt.

Mr. BLANTON. I want to advise the gentleman from North Carolina that before he came from the cloakroom to the floor the gentleman from Kansas prefaced his remarks with the statement that every move the chairman of this committee made had been to suppress the truth. He should make proper reply to that charge.

Mr. MCGUGIN. No. I will tell the gentleman exactly what I said. I said that every move that had been made since this committee was organized was to suppress the truth. I did not single out the chairman.

Mr. BULWINKLE. Suppress the truth?

Mr. MCGUGIN. Yes.

Mr. BULWINKLE. We are bringing before the gentleman next week 5 of the Government employees and 1 news reporter mentioned by Dr. Wirt.

Mr. MCGUGIN. Will the gentleman bring General Westervelt?

Mr. BULWINKLE. Is General Westervelt a Government employee?

Mr. MCGUGIN. Will the gentleman bring him before us, or any other person that Dr. Wirt mentioned?

Mr. BULWINKLE. Can the gentleman not read what Professor Tugwell said? We had the man before us yesterday that the gentleman thought he was going to get so much out of, and he did not get a thing. All he could do was to give some quotations from Professor Tugwell or Dr. Tugwell, whoever he is.

Mr. CONNERY. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Is this not a way to get at the administration because they are enforcing the N.R.A. and giving labor of the United States a break? Dr. Wirt comes from Gary, which is controlled, body and soul, by the United States Steel Corporation.

Mr. BULWINKLE. I do not like to say anything on this floor that I do not know exactly. I do know, however, that some of the Republicans thought that having statements like Rand's in the record would be a wonderful thing to use this fall in the elections, and they are disappointed because it is going to be an absolute flop.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Ohio.

Mr. COOPER of Ohio. I may say to the gentleman that I was one of the members of the Committee on Interstate and Foreign Commerce that tried to stop Mr. Rand from reading that letter in the record, but the Democratic membership of the committee seemed very anxious to have it in there, so that they could probably call this investigation.

Mr. BULWINKLE. I am speaking of the time after they got it in there. I refer to some of the gentlemen on the gentleman's side.

Mr. COOPER of Ohio. There were not any of the Republicans that wanted the letter in the record.

Mr. BULWINKLE. I am not talking about that committee. The gentleman did not know what was in the

letter. That had been sent out before, and you did not know about the matter.

Mr. COOPER of Ohio. We heard enough.

Mr. BULWINKLE. Take the gentleman from Kansas [Mr. MCGUGIN]; he would like to have used that this fall.

Mr. MCGUGIN. I am not a member of the Interstate and Foreign Commerce Committee. I am only a member of this select committee.

Mr. BULWINKLE. I know it. I said the gentleman would like to have had it in there.

Mr. DURGAN of Indiana. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Indiana.

Mr. DURGAN of Indiana. Did the evidence really disclose that Dr. Wirt was from Indiana?

Mr. BULWINKLE. Yes; from Gary, Ind.

Mr. DURGAN of Indiana. Did it disclose that he was a native of Indiana?

Mr. BULWINKLE. No.

Mr. DURGAN of Indiana. I thank the gentleman very much.

Mr. BLANTON. If the gentleman will yield, how can the chairman reconcile the difference that apparently exists between our friend from Ohio [Mr. COOPER] and our friend from Kansas [Mr. MCGUGIN]? There seems to be a domestic difference in the party ranks among the brethren over there.

Mr. BULWINKLE. I will tell the gentleman the difference.

Mr. COOPER of Ohio. The gentleman from Texas [Mr. BLANTON] is not speaking for me.

Mr. BULWINKLE. I decline to yield further now, Mr. Speaker.

I am not speaking for the gentleman from Ohio, because the gentleman did not see the political significance of this when it was walking down the road, but the gentleman from Kansas did. That is the difference between them.

The gentleman from Kansas, of course, is sore about it—absolutely sore—because he would have gone out this fall and would have talked about the terrible things these Democrats are doing. Now, when the gentleman goes out he will have to say that there were two great discoverers in this century—one, Dr. Cook, who discovered the North Pole; and the other, Dr. Wirt, who discovered the Communists in the Government service. [Laughter and applause.]

Mr. Speaker, I yield back the balance of my time.

GRACE P. STARK

Mr. BLACK. Mr. Speaker, I rise in opposition to the motion that was made by the gentleman from Kansas, and which is still pending, to strike out the last word.

Mr. Speaker, I am here to defend the last word. I think we should have the last word on this committee and on this investigation. I never thought the hearing should have been held, but I do not want any misunderstanding about the conduct of the legislative committee to go out to the country by the gentleman from Kansas. I have served on legislative committees, and I know just what minority representation means on any legislative committee. I have squawked just as loudly as the gentleman from Kansas [Mr. MCGUGIN] has squawked today about a denial of rights, and I looked just as indignant and I was just as furious, apparently, as the gentleman is. It did not mean anything.

No witness before any legislative committee at any time has ever had the right to have counsel. No witness in any court, under any conditions, has ever a right to have counsel, and any lawyer knows this. So there is no point to be made of that at all.

Now, as to the general proposition of the Democrats not giving them the right to call witnesses: I served on a committee in 1928, and I tried to get the committee to meet before the press. It was purely grand stand on my part, just as the gentleman is performing today—a little spring practice for the fans. I tried to get them to perform before the press; but no, Mr. LEHLBACH—

Mr. MCFADDEN. Will the gentleman yield?

Mr. BLACK. I cannot yield now—I am doing too well. [Laughter.]

But Mr. LEHLBACH took me into his sanctified chamber back here in the Capitol, where he has a nice fireplace, and I thought they were going to apply the rack and thumb-screws to me. They voted down my motion to call Bishop Cannon and several gentlemen connected with organizations opposed to Smith. I was doing this for campaign purposes. I was using the committee for campaign purposes. I did not say so then—I say so now—the statute has expired. [Laughter.] I was doing just as the gentleman from Kansas [Mr. McGugin] is doing today, but Mr. LEHLBACH, as czaristically as possible, made me a revolutionist, a Red, for the time being, and voted down everything I wanted done about calling witnesses. We went down into Texas, and I tried to have witnesses called there.

And, by the way, I nearly got caught. There was one witness on the stand who said, "A national organization is operating in this district", and right away I thought I was going to bring the Klan into the picture. There I was, a little New York man down in Texas, and I was going to challenge the Klan on its home grounds, and I said to this witness, "Was it the Ku-Klux Klan?" and LEHLBACH banged the table and said, "You can not ask that question." It was a perfectly legitimate question, so I asked it again, and they took a vote and the committee voted it down. So I went to the witness afterward and asked him what would have been his answer, and he told me it was the American Legion. [Laughter.] I was saved by Mr. LEHLBACH and was grateful to him.

Now, do not get excited. There is nothing in this investigation. It is not important to us whether there is anybody connected with the administration who is tainted with communism. What we should be disturbed about is what is happening in the minds of the people. Are the people in a state of mind tending toward revolt? If they are, it is our fault. This is what we ought to be thinking about and not what some economist or some writer on economic subjects connected with the administration is thinking about—but what are the people thinking about.

So far as I am concerned, I am no Presidential spokesman, but I can say this for the "brain trust": They have brains. They got on the pay roll when politicians could not. [Laughter and applause.]

Mr. TRUAX. Mr. Speaker, I rise in opposition to the pro forma amendment of the gentleman from New York. Mr. Speaker, I have a statement here from a gentleman in my State, who asserts that:

This man Wirt, Professor Wirt to you, who has been raising all the hell with our Democratic administration, is a bought and paid for creature of the Steel Trust and his recent exposure of the Democratic Party is a last desperate effort of this unpatriotic outfit to defeat the wage policy of the N.R.A. and the recovery program as a whole.

I was in Gary when I was old enough to cast my first vote and Professor Wirt was responsible for my vote going to Eugene V. Debs.

The reason?

Gary was and is a city built in a region of sand dunes so poor that nothing but a steel trust could exist on the spot. The site of the city then was a plot of sand 10 miles square. The trust bought all of this with the exception of a small bit afterward called the "patch" which the owner refused to sell and which afterward became the hell hole of the Chicago district.

I suppose that legal procedure was followed in the erection of the schools, but there might be some doubt of this. At least construction on the schools kept pace with construction of the mills and the concrete apartment houses for the Gary steel workers.

These schools have been widely copied in spite of the fact that their educational features are practically nonexistent, but have been replaced by a trade-school system designed to furnish a surplus of semiskilled labor for the masters of the infamous Professor Wirt.

The male graduates of Professor Wirt's schools cannot spell, read, write, or express themselves intelligently, but all are somewhat familiar with various trades to the extent that craftsmen in these trades in the Gary mills receive less than the prevailing wage in these trades and there is always a surplus of labor in the trades taught in the Gary schools. These facts can be established by your investigating committee by correspondence with the Central Labor Councils of Gary, Hammond, and Chicago.

Your committee would also find that the male graduates of the Gary schools are not as well educated, in the ordinary sense, as

10- or 11-year-old children who attended the country schools of Pennsylvania. That is, if the Gary graduates were picked at random and the more intelligent of the Pennsylvania children were chosen.

Professor Wirt has graduated numerous boys who can lay bricks, repair machinery, do iron or steel molding, and bits of other trades, but who are entirely unfamiliar with English, history, arithmetic, or other studies that Members of Congress would consider fundamental in the education of a child.

Anything that I can say as to the lack of educational facilities in the Wirt schools would not serve to paint the picture as bad as it actually is or would be in the eyes of the members of your body.

Professor Wirt's sole purpose in life has been to educate the youth in his charge so that they knew just enough to be loyal employees of the Steel Trust.

Now it happens that the employees of the Gary mills have taken advantage of section 7a of the Recovery Act and are organizing. This, in the estimation of Professor Wirt, is a combination of lese majesty, treason, and a few lesser crimes.

I ask Members of Congress, Who raised the money, who will produce the money, to finance Dr. Wirt in his campaign of slander and vilification of President Roosevelt and the new deal? Why does he need any defense if the charges are true and if he is not, as alleged, simply the mouthpiece of the Steel Trust, that gigantic institution that has bled the American people of millions?

Mr. CONNERY. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. CONNERY. I have an impression, and I think the gentleman has, too—I do not mean the committee that has been appointed for the purpose of an investigation—that the whole idea is to get Dr. Wirt before the committee and then try to give out to the country that the tendency of the Democratic administration is towards communism and socialism, and to discredit its efforts to give labor a break.

Mr. TRUAX. The gentleman is correct. Continuing with the letter:

Professor Wirt has the entire resources of the Steel Trust behind him in his effort to smash the Democratic program. If called to Washington to testify before your committee he will furnish more manufactured evidence than the Steel Trust can manufacture steel.

Now, gentlemen of this Congress, this man, Professor Wirt, has charged the distinguished Speaker of this House with being a radical, with fostering the principles of communism, with fostering the idea of the State taking over private industry. I want to say that the distinguished Speaker has been one of the most progressive men we ever had in this country. Away back in 1922, when we held a big Jackson Day rally in Marion, Ohio, when Warren Harding was President, we could find only one Democrat in this House or the other body who had courage enough to come out and uphold the principles of democracy, and that was your illustrious Speaker. [Applause.] It was then that he first exposed the machinations of Secretary of the Treasury Mellon. He told us about Mellon's ownership of the Aluminum Trust Co., and he told us about refunds that were being made by millions and which have had much to do with bringing on the depression that we have had.

I say to you without fear of successful contradiction that the whole Wirt testimony is merely a frame-up and an attempt to discredit the Roosevelt administration and the new deal. [Applause.]

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. O'MALLEY. As positive proof that this whole Wirt propaganda was built up by big business, the fact is that the reactionary capitalistic-controlled press has given 10 times as much space to Dr. Wirt and his charges as have the independent press, sympathetic with the Democratic administration.

Mr. TRUAX. That is true.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. COOPER of Ohio. My colleague from Ohio decried the calling of this investigation, and he says that it was a frame-up. I ask the gentleman, Who started the investigation, who introduced the resolution in Congress for the

investigation? It was not a Republican, but it was a Democrat.

Mr. TRUAX. I would say to my colleague from Ohio that I am not accusing the Republican Members of Congress nor the Republican Party. I am accusing the United States Steel Corporation, owned by Morgan & Co., and I am sorry that certain Members on the gentleman's side have seized upon this opportunity to obtain campaign material for some hopeless causes this fall.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. COOPER of Ohio. I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOPER of Ohio. Mr. Speaker, if I had my own way about it, the investigation of Dr. Wirt would not have been called by Congress. When the letter of Dr. Wirt was read before the Committee on Interstate and Foreign Commerce, of which I am a member, I tried to stop it from going into the record. It has been intimated here today that the Republicans insisted on calling this investigation. I deny that. The resolution for the investigation was introduced by a prominent Democratic member of the Interstate and Foreign Commerce Committee, and I am getting sick and tired of trying to mix this matter into partisan politics every day on the floor of the House when we should be devoting ourselves to things more worth while and working for those principles which we believe will be for the best interest of our country instead of playing politics. [Applause.] For more than 3 years our people have stood with backs to the wall fighting economic depression. I wish we, the Members of Congress, would forget partisan politics at this time and try and direct our efforts to legislation which will be of some benefit to our country and its citizens. [Applause.]

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object. When these 2 minutes are concluded, if any other further requests are made to speak, I shall object.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, I feel a good deal like the gentleman from Ohio [Mr. COOPER]. Every day and every minute of time that we devote to Dr. Wirt costs the American taxpayers a lot of money. My private impression was that this investigation should never have been held, because it was cheap partisan politics, and the only object it seems to have had is to make a comic opera campaign issue for Members on both sides of the House, to discuss for hours and hours at great expense to the taxpayers. Every day this Congress runs costs the taxpayers a lot of money. Every minute we use, either in committee hearings or in session in the House, costs the taxpayers scores of dollars, when the bill is finally rendered to them. Personally I have not taken up much time on the floor of this House for any partisan speeches, and from now on I am impelled to object to unanimous-consent requests to discuss Dr. Wirt, that nervous little fellow from Gary, Ind., who does not yet realize that when we had an election in 1932 we did have a revolution, which the people were in favor of. That bloodless revolution against organized greed and exploitation is going on right now with the help of the Democratic administration, and it is returning this country to where it should have been if the Republican Party had given the people the same kind of a planned program for recovery that the Democratic administration has done. I do not think we ought to waste any more time on Dr. Wirt or any of his charges. He has disclosed by his statements that he has been doing the work of some people who have private profits and special interests at stake in this new deal, which they do not want to give up, even if their special privileges destroyed the welfare of millions of the common people.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Ohio. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOPER of Ohio. Mr. Speaker, I notice the gentleman from Wisconsin again attacks the Republican Party.

Mr. O'MALLEY. That is practically impossible to avoid since your colleagues started this time-wasting argument today.

Mr. COOPER of Ohio. Why can we not leave partisanship out of the deliberations of this body for awhile and get down to the things that are of vital importance to the country?

Mr. O'MALLEY. I shall be glad to do that, if the gentleman can persuade members on his side, like the gentleman from Kansas [Mr. McGugin], to desist. I would be glad enough to never mention the gentleman's party again, because I do not think it is strong enough in the country or in the House to be worth mentioning. The RECORD shows this argument started today on the Republican side.

The SPEAKER. The time of the gentleman from Ohio has expired.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. A. BETZ

The Clerk called the next bill, H.R. 3992, for the relief of C. A. Betz.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I reserve the right to object in order to ask the author of the bill for some information. The bill purports to appropriate an amount in payment of expenses of an individual for making a trip from San Francisco to Bremerton Navy Yard. There is nothing in the bill or report to indicate the items of expense, whether the money was actually expended.

Mr. WELCH. Mr. Speaker, I introduced the bill (H.R. 3992) for the relief of C. A. Betz. It carries an appropriation of \$103.34 for the relief of Mr. Betz, who is a boilermaker by trade.

In 1930 Mr. Betz received the following letter, from which I read, from the Navy Department:

You are hereby tendered employment as a boilermaker in the industrial department. You are requested to report at the office of the labor board at once and bring this letter with you.

Mr. Speaker, Mr. Betz made the trip from San Francisco, Calif., to Bremerton, Wash., in response to this tender. Prior to his arrival at Puget Sound Navy Yard, however, conditions had so changed that his service as a boilermaker were not required. He was employed for a period of 8 days and was then discharged. It is 956 miles from San Francisco to Seattle. He was promised, as the report states, 4 months' employment. May I read briefly from the report of the Secretary of the Navy, Mr. Adams, who was Secretary at that time:

Under the circumstances existing in this case, however, where the claimant was led to believe that he would be given about 4 months' work and was discharged after a period of 8 days, thus depriving him of an opportunity to secure reimbursement for the expenses incurred by him in responding to the Government's call, the Navy Department considers that the claimant is equitably entitled to relief, and therefore recommends favorable action on the bill.

I know that Mr. Betz is a dependable man. He is not asking any more than his actual expenses from San Francisco to Seattle, where, as I said, he was promised by the Government at least 4 months' employment, which was reduced, by a slacking up of a department over which he had no control, to 8 days. Inasmuch as he is a hard-working mechanic, I feel, and I believe the gentleman from Kansas will agree with me, that he is entitled to the expenses incurred for his trip from San Francisco to Seattle and return.

Mr. HOPE. Does the gentleman think this is a reasonable amount? The gentleman is familiar with conditions

and the distance and the rates either by rail or steamship. Does the gentleman regard this as a reasonable amount? I ask that question because there is nothing in the RECORD to indicate what this amount covers. I should like to have the gentleman's opinion.

Mr. WELCH. It is my opinion that it is not unreasonable. On the other hand, it is a reasonable amount. I have made the trip a number of times, and I can place myself in the position of this mechanic. I feel that the small sum of \$103.34 provided for in the bill is only reasonable to pay the cost of his expenses from San Francisco to Seattle and return.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

There being no objection the Clerk read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. A. Betz the sum of \$103.34. This sum represents the actual expenses incurred by Mr. Betz in making a trip from San Francisco to Bremerton Navy Yard in response to a summons issued by the Navy Department.

Mr. HOPE. Mr. Speaker, I offer the usual attorney's fee amendment, and also after the figures "\$103.34" to insert "Provided, That this shall be in full settlement of all claims against the Government of the United States."

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 1, line 5, after the figures, insert "in full settlement of all claims against the Government of the United States."

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLEN GRANT

The Clerk called the next bill, H.R. 4060, for the relief of Ellen Grant.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellen Grant, mother of Albert F. Grant, late boatswain's mate, second class, United States Navy, who died June 8, 1931, while a member of that organization, the sum of \$303, being the actual expenses incurred in the burial of said Albert F. Grant.

With the following committee amendment:

On page 1, line 8, strike out "\$303" and insert in lieu thereof "\$200, in full settlement of all claims against the Government of the United States." On page 2, after the word "Grant", insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE L. STONE

The Clerk called the next bill, H.R. 4475, for the relief of George L. Stone.

Mr. ZIONCHECK. Mr. Speaker, I object.

B. EDWARD WESTWOOD

The Clerk called the next bill, H.R. 4516, for the relief of B. Edward Westwood.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman withhold his objection?

Mr. ZIONCHECK. I will reserve the objection.

Mr. COOPER of Ohio. We have passed a great many bills like this today. The situation is that in 1931 the Federal Government started to construct a new post-office building at Youngstown, Ohio. Therefore it was necessary to change quarters. Temporary quarters were rented one block away from the old post office which was torn down. The facilities in the rented building were not very good; that is, the facilities for taking care of the money and the stamps. On Christmas day burglars broke into the office, pried open the money and stamp drawers, and stole \$891.17. The postmaster was not responsible for that. It is a matter of record in the police court. The postmaster was helpless to prevent this crime, with the facilities he had, and to properly take care of the cash receipts and stamps, and yet he was forced to do it, because it was the building which the Government had rented.

I do not think the postmaster should be held responsible for \$891 when he was not at fault at all.

Mr. ZIONCHECK. I notice that the Post Office Department in its report does not recommend the passage of this bill, taking the position that a proper degree of care was not taken by the postmaster for whom the gentleman now seeks relief.

Mr. COOPER of Ohio. No. The position that the Post Office Department took was that the money and stamps should have been kept in the safe; but there were 6, 8, or 10 people in this office all of whom had charge of money drawers and stamp drawers. It was a big office and there were no facilities inside the safe for each clerk to put his amounts in a separate drawer and lock it up. The safe did not accommodate that situation. Under this condition the postmaster would have had to have given the combination of the safe to 8 or 10 clerks and in case of trouble there would have been no one whom he could hold responsible for the safety of the money.

Mr. ZIONCHECK. Does not the gentleman think that the Post Office Department was advised of the facts of which the gentleman speaks, before they made an adverse recommendation?

Mr. COOPER of Ohio. I do not know whether the Post Office Department understood the situation or not. They rented this building and put the post office in there during the construction of the new building.

During the 12 years this postmaster has served he never had one black mark against his record. He has one of the finest records of any postmaster in the United States. I do not think it is fair that he should be held responsible for this money under circumstances where the office was burglarized.

Mr. ZIONCHECK. If the gentleman can get such a report from the Post Office Department today with regard to the lack of negligence of which he speaks, I shall be willing to have this bill pass over without prejudice to be called the next time the Private Calendar is called.

Mr. COOPER of Ohio. I think the Post Office Department in their report states just what the situation is.

Mr. ZIONCHECK. I have a contrary notation here.

Mr. COOPER of Ohio. The Post Office Department informed me that it would be impossible, under the law, for them to recommend it.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and that it may be called up the next time the Private Calendar is called.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

C. W. MOONERY

The Clerk called the next bill, H.R. 4519, for the relief of C. W. Moonery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, the sum of \$256.77, to compensate C. W. Moonery, of Lenapah, Okla., for actual financial loss sustained by him, without negligence on his part, through refund already made to the Post Office Department wherein postal funds for which he was responsible as postmaster of Lenapah, Okla., were on deposit in the First National Bank of Lenapah, Okla., where said bank failed under date of November 19, 1923, and was liquidated, none of said sum being repaid from the assets of said bank.

With the following committee amendments:

Page 1, line 5, strike out "\$256.77" and insert in lieu thereof "\$161.71."

Page 1, line 6, strike out the word "Moonery" and insert the word "Mooney."

Page 2, at the end of the bill, add the following:

"Amend the title so as to read: 'A bill for the relief of C. W. Mooney.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORVILLE A. MURPHY

The Clerk called the next bill, H.R. 5299, for the relief of Orville A. Murphy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Orville A. Murphy on account of disability due to tuberculosis alleged to have been proximately caused by his employment in the service of the United States between April 6, 1920, and December 1, 1932: *Provided,* That no benefits shall accrue prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERALD PUBLISHING CO.

The Clerk called the next bill, H.R. 5940, for the relief of the Herald Publishing Co.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. RICHARDS. Mr. Speaker, will the gentleman reserve his objection to permit me to make an explanation?

Mr. HANCOCK of New York. Yes.

Mr. RICHARDS. The claim before the committee was \$446 for the injury and damage done a boiler owned by the Herald Publishing Co., of Rock Hill, S.C., while the Government occupied the premises. I hope the gentleman will consider this fact.

There was a contract between the Herald Publishing Co. and the Treasury Department whereby the Treasury Department leased from the Herald Publishing Co., of Rock Hill, S.C., a building for temporary use as a post office. There was a boiler in the building. The Government went into the building during the spring or summer months, and wishing to destroy certain papers that were not valuable and other trash they built a fire in this boiler. The position taken by the Herald Publishing Co., which I think is overwhelmingly established by the facts, was that there was negligence on the part of the Government employees.

The Treasury Department wrote a letter instructing the Herald Publishing Co. to go ahead and get a new boiler. Although they did not say they would pay for the boiler, it was implied that they would, and the company went ahead and got a new boiler, paying for it \$446. The bill is for this amount on the ground that the explosion was caused by the negligence of the Government employees. The committee reduced the amount from \$446 to \$243, considering the lat-

ter amount to represent the value of the boiler at the time it was destroyed.

Mr. HANCOCK of New York. I understand that the Government leased this building as temporary quarters for the post office. They moved into the building on the 28th of May. On the 29th and 30th they burned some old papers, whereupon the boiler cracked wide open. It would seem to me that the boiler must have been defective.

Mr. RICHARDS. But the gentleman overlooks the fact that the contract provided that the Herald Publishing Co. should not be responsible for the negligence of the Government itself.

Mr. HANCOCK of New York. How could there have been negligence on the part of the Government employees in burning papers in the furnace? Such use does not crack a boiler in proper condition.

Mr. RICHARDS. It was undoubtedly due to the fact that there was not water in the boiler. This was the summer-time, the off season when there was no reasonable expectancy on the part of the Herald Publishing Co. that the boiler would be used. If the Government employees wished to start a fire in the boiler at this time of the year it was incumbent upon them to see that there was water in it, or they certainly would be guilty of negligence.

Mr. HANCOCK of New York. An inspector was sent up there by the Post Office Department, and reported that the cracks were old and rusty; that some attempt had been made to caulk them; and that the boiler was old and much worn. If that evidence is not disputed, I cannot reconcile myself to the fact that the Government is in any way responsible for the explosion of this boiler. I am sorry, but I feel I must object.

Mr. RICHARDS. Will the gentleman withhold his objection and pass this bill over without prejudice?

Mr. HANCOCK of New York. Certainly.

Mr. RICHARDS. I should like to say to the gentleman that anyone who knows anything about boilers knows that in an off season anyone who builds a fire in them should use at least reasonable care before doing so.

Mr. HANCOCK of New York. I do not know anything about the competency of this inspector, but he reports that the cracks were old and rusty and that some attempt had been made to caulk them. They were amateurs, at least they were unsuccessful, and the inspector further reports that the boilers were old and worn.

Mr. RICHARDS. That is true, but the committee passed on this matter. We have affidavits of three employees working in the office and other very strong evidence that the boiler had been in good shape previously.

Mr. HANCOCK of New York. Those are what might be called self-serving declarations.

Mr. RICHARDS. They are contradictory to other evidence on file, I will admit, but the committee passed on this matter.

Mr. HANCOCK of New York. I feel I must object for the time being at any rate.

Mr. RICHARDS. Mr. Speaker, I will let the bill go over with the objection of the gentleman instead of passing it over without prejudice.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

UNITED STATES MILITARY ACADEMY

The Clerk called the next bill, H.R. 7026, to credit certain services as cadets at the United States Military Academy.

Mr. ZIONCHECK. Mr. Speaker, I object.

ALFRED W. KLIEFOTH

The Clerk called the next bill, H.R. 7064, for the relief of Alfred W. Kliefoth.

Mr. ZIONCHECK. Mr. Speaker, I object.

JOHN P. SEABROOK

The Clerk called the next bill, H.R. 5310, for the relief of John P. Seabrook.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should like to inquire of the author of the bill if this is

similar in character to the one that was passed and vetoed by the President recently?

Mr. BURNHAM. Mr. Speaker, I am not sufficiently familiar with the record to answer the question. This is the case of a member of the Marine Corps having a bad-conduct discharge, but since that time reenlisted and has an honorable discharge. He has really been cited for meritorious service, and he wishes this blot removed from his record.

Mr. TRUAX. Does the Secretary of the Navy recommend this in a report?

Mr. BURNHAM. No; I presume not, because they never do.

Mr. TRUAX. Will the gentleman yield further?

Mr. BURNHAM. Yes.

Mr. TRUAX. I find the concluding paragraph of the report of C. F. Adams, Secretary of the Navy, is as follows:

In view of the foregoing, the Navy Department recommends against the enactment of the bill H.R. 12193.

Mr. ZIONCHECK. Will the gentleman yield further?

Mr. BURNHAM. I yield to the gentleman from Washington.

Mr. ZIONCHECK. We have passed a great many of these bills, and the Navy Department and the War Department usually object.

Mr. TRUAX. I am willing to give the President the opportunity to veto another one of these bills, so I withdraw the objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers and sailors John P. Seabrook, who was a member of the United States Marine Corps, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of that organization on the 20th day of September 1920: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDERICK L. CAUDLE

The Clerk called the next bill, H.R. 5689, providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. O'MALLEY. Will the gentleman withhold his objection?

Mr. HANCOCK of New York. Yes.

Mr. O'MALLEY. On what basis does the gentleman object? The Navy Department has recommended the passage of the bill.

Frederick L. Caudle was stricken with tuberculosis after having served in the Navy from 1923 to 1926. He saw active service in Shanghai and at other places. In 1925 he was sent to Mare Island and was found to have pulmonary tuberculosis at the time he was summoned in for examination. The Navy Department at a later date found him incapacitated for service. It happened that 2 months after this finding he would have been eligible for advancement. He was forced to retire, whereas if he could have gotten 2 months' leave to which he was entitled, he would have automatically been retired as a lieutenant (junior grade). This man was incurably ill with tuberculosis. He has had it since 1925. It involves only \$450 difference a year in retirement cost with which he may continue his fight for health and life. He may never be cured of tuberculosis. The bill was passed in the Senate some years ago and died in the House through an objection.

Mr. HANCOCK of New York. This young man was commissioned as an ensign in the Navy in 1923?

Mr. O'MALLEY. That is right.

Mr. HANCOCK of New York. And 2 years later, in 1925, he contracted tuberculosis?

Mr. O'MALLEY. That is right.

Mr. HANCOCK of New York. He was placed upon the retired list and is now receiving retirement pay. If he had been retired later, he would have received an increase in pay. He would have received a higher pay?

Mr. O'MALLEY. If he had been retired 2 months later, he would have had the advance in rank that would have given him this increased retirement pay, but the Navy forced his retirement through their findings as to his health.

Mr. HANCOCK of New York. How could the Navy promote a man to a higher rank when he is confined in the hospital suffering from tuberculosis? Is it not necessary that a man pass a physical examination in order to be promoted?

Mr. O'MALLEY. Yes; but they could have given him 2 months' leave so that his eligibility for advancement would have occurred. His automatic advancement was due in June. He was retired early in May. His retirement was forced because of his disability and through his failure to insist upon the leave then in vogue under Navy regulations.

Mr. HANCOCK of New York. He was disabled in 1925?

Mr. O'MALLEY. Yes.

Mr. HANCOCK of New York. That was a full year prior to this time?

Mr. O'MALLEY. No. He was not found incapacitated for service until April 1926.

Mr. HANCOCK of New York. If bills of this kind are to be passed, we will be setting a precedent. There is no reason why a man should be advanced a grade with retired pay under these circumstances.

Mr. O'MALLEY. Here is what the Navy Department said in a letter when the bill was under consideration in the Senate:

On the other hand, however, Ensign Caudle's retirement was effected immediately upon receipt of the recommendation of the Retiring Board and without the grant of any leave, in accordance with the then existing policy of the Navy Department. Since that time, however, the Navy Department has adopted the policy of granting officers a slight postponement in date of effect of retirement upon receipt of the recommendation of the Retiring Board. This postponement not to exceed their accrued leave and in no case to exceed 2 months. If this present policy had been in effect at the time of Mr. Caudle's retirement, his date of retirement would have been automatically set as in June 1926, rather than April 1926; which, thus set without regard to his impending date of promotion, would have carried the date of his retirement beyond the date he would have become due for promotion and would therefore, under the law, have entitled him to retire in the grade of lieutenant (junior grade).

All I am asking is that he be retired as a lieutenant instead of an ensign.

Mr. HANCOCK of New York. It seems to me this young man is being pretty generously treated by the Government. He served only 2 years. He is now retired for life on a reasonable amount. I do not know just what the amount is. Can the gentleman enlighten me as to what his retirement pay is now?

Mr. O'MALLEY. It is about \$100 a month. He did not get hospitalization except for 1 year. He was not sent to a hospital after his retirement because for some unknown reason the retirement order overlooked the fact that this man's case was pulmonary tuberculosis.

Mr. HANCOCK of New York. Of course, it is not pleasant to object to any of these bills, but I have objected to several that were exactly like this one.

Mr. ZIONCHECK. One hundred and six dollars a month less 5 percent would be the retired pay of an ensign.

Mr. HANCOCK of New York. I think that is being fairly generous to a young man who served 2 years.

Mr. O'MALLEY. Would the gentleman withdraw his objection if I offered an amendment to strike out "with 3 years of service", which would give him at the Navy pay rate his retirement as a lieutenant junior grade, but would not give him any more retirement pay than his present status? This would at least give him the rank and at no additional cost to the Government. This young man did not want to retire but was forced to as a result of disease contracted while serving his country.

Mr. HANCOCK of New York. I feel I must object, Mr. Speaker.

ANNIE BRUCE

The Clerk called the next bill, H.R. 6246, granting 6 months' pay to Annie Bruce.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay out of the appropriation "Pay of the Navy, 1932", to Annie Bruce, widow of the late Lt. Frank Bruce, United States Navy, an amount equal to 6 months' pay at the rate said Frank Bruce was receiving at the date of his death.

With the following committee amendment:

Line 5, strike out "1932" and insert in lieu thereof "1935."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. B. FOUNTAIN

The Clerk called the next bill, H.R. 6863, for the relief of W. B. Fountain.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged enlisted personnel of the United States Navy W. B. Fountain, aviation chief rigger, United States Navy, late of the Naval Operating Base, Hampton Roads, Va., until May 1925, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States on the 4th day of May 1925: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUSTIN L. TIERNEY

The Clerk called the next bill, H.R. 6871, for the relief of Austin L. Tierney.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Austin L. Tierney, who served as a fireman, third-class, United States Navy, shall be held and considered to have been honorably discharged from the naval service of the United States as a fireman, third class, on April 25, 1918: *Provided,* That no pay, bounty, or allowances shall be held as accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLETON-MACE ENGINEERING CORPORATION

The Clerk called the next bill, H.R. 4659, for the relief of Carleton-Mace Engineering Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Carleton-Mace Engineering Corporation, of Boston, Mass., on account of the extra cost of installing fire-protection system at the naval ammunition depot, Hingham, Mass., under contract no. 3808-B, which extra cost was occasioned by an embargo placed on freight by the United States Railroad Administration, thereby preventing the completion of the work under the above contract before cold weather set in, and to allow in full and final settlement of said claim such amount, not exceeding \$32,726.14, as the Comptroller General may find from the facts and the evidence submitted to him to be the actual amount of the extra cost occasioned by the said embargo. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$32,726.14, or so much thereof as may be necessary, to pay the amount herein authorized to be allowed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSES ISRAEL

The Clerk called the next bill, H.R. 4793, for the relief of Moses Israel.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Moses Israel the sum of \$10,000 for damages suffered by reason of being struck and injured by a Government automobile which was driven by an employee of the Post Office Department.

With the following committee amendments:

Page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$3,500"; and at the end of line 8 insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

EDGAR SAMPSON

The Clerk called the next bill, H.R. 4832, for the relief of Edgar Sampson.

Mr. HOPE. Mr. Speaker, reserving the right to object, I have no objection, possibly, to the bill if it can be amended so as to provide that no benefits shall accrue prior to the passage of the act, and also the bill should be drawn up in the regular approved form that we have been using in measures of this kind.

Mr. CELLER. The gentleman states he would not object if we provided there should be no benefits accruing prior to the passage of the act. Just what does the gentleman mean by that?

Mr. HOPE. Just what the language says. It would include any benefits that accrued after the passage of the act and the action of the Employees' Compensation Commission in determining whether the claimant is entitled to relief.

Mr. CELLER. It seems to me it would be rather unfair to do that, because, due to a faulty reply by a Government official, this man was deprived of making his claim in the proper time. This bill only removes the bar of the statute of limitations.

Mr. HOPE. I have no objection to this man's being permitted to file a claim at this time without regard to the fact that the 1-year period is up, but I think the precedent we have always followed is that no benefits shall accrue prior to the passage of the bill.

Mr. CELLER. But if there is justice in the claim, I cannot see why the gentleman should want that provision in the bill. The man ought to be entitled to the benefits of the legislation from the time he was ill. It is now almost 5 years, and I think it would be very unfair to put on such a limitation.

Mr. HOPE. Of course, it is not the fault of the Congress or the Employees' Compensation Commission that the claim was not filed within the proper time. I think there are some equities in this case, but, strictly speaking, the man has no rights. We are giving him something when we pass this legislation, and I think we should follow the precedents that have been established in such cases.

Mr. CELLER. The gentleman will understand that this man is very old.

Mr. HOPE. I do not think there is any reason why we should not follow the precedents in this case. We ought not to go behind the passage of the act.

Mr. CELLER. It will not amount to very much, and if there is any justice at all this man should have it.

Mr. HOPE. If it does not amount to very much, the claimant is not losing very much. I see no reason for departing from the precedents, and I shall have to object.

Mr. CELLER. This claim was in Congress a year ago and someone objected to it, on what grounds I do not know, and so this man had to wait a year.

Mr. HOPE. I do not want to object, but if the gentleman will allow the bill to go through with the amendment, I will not object.

Mr. CELLER. I will accept the amendment.

Mr. HOPE. Mr. Speaker, in view of the gentleman's statement, I will withdraw my objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 15, 17, and 20 of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U.S.C., title 5, pars. 765, 767, and 770, on p. 79), are hereby waived in favor of Edgar Sampson, who claims disability as a result of his employment under the Post Office Department in December 1927. The United States Employees' Compensation Commission is hereby authorized to accept formal notice of claim, now informally numbered Lf-17426, and to consider and act upon his claim under the remaining provisions of said act, as amended, in the same manner as if his claim and notice had been filed within 60 days after the said disability was incurred.

With the following amendment:

Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Edgar Sampson arising out of disability and illness resulting in the involuntary removal to a hospital of said Edgar Sampson on December 24, 1927, in the same manner and to the same extent as if said Edgar Sampson had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act, but any favorable award under this act shall be based upon physical condition of said Edgar Sampson of current date."

HARDSHIP ON PHILIPPINES

Mr. WELCH. Mr. Speaker, I ask unanimous consent to print in the RECORD an article in the Washington Herald of April 10, 1934, on Hardship on Philippines.

The SPEAKER. Is there objection?

There was no objection.

Mr. WELCH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Washington Herald of April 10, 1934:

HARDSHIP ON PHILIPPINES

Manila dispatches report that consternation has been created among the Philippine people by the threat of Congress to impose a prohibitive tariff on copra and coconut oil.

Philippine leaders have appealed to the President and the Congress for protection against such an indefensible injustice to a dependent people, who are wholly at the mercy of a Congress in session 10,000 miles distant.

These Philippine leaders point out what American opponents of such a prohibitive tariff admit:

That to impose a prohibitive tax, which the House has voted and the Senate is considering, on copra and coconut oil would subject the Philippine people to the following hardships:

It would wipe out coconut plantations, which represent \$150,000,000 of the Philippine Islands' wealth.

It would throw out of employment one third of the population of the Philippines, living in seven Provinces.

It would reduce to destitution and threaten with starvation 4,000,000 Filipinos, whose only means of support comes from the coconut trade that are to them in very truth "a tree of life."

President Roosevelt is against this outrage. Secretary Dern has urged upon Congress the cruel consequences and the utter unfairness of inflicting upon the Philippine people an excise tax which would destroy one of their chief industries and nullify the traditional tariff policy under which the Philippine Islands have long been treated as an integral part of the United States.

Congressman WELCH, of California, has put the case convincingly against this iniquitous betrayal of America's solemn trust in the Philippine Islands when he said:

"This proposal strikes at the very vitals of the Philippine economic situation. Coconut oil has only had a 2 cents per pound duty since 1921 from other countries, but under the terms of reciprocity with the Philippines has been admitted free of duty from them.

"This embargo, for it is just that, means that these products will have to compete in the already oversupplied world market, which they cannot successfully do."

It is hard to believe that the Congress will ignore the protest of the President, the admonition of the Secretary of War, or turn a deaf ear to the desperate appeal for justice that comes from a

dependent people across the Pacific, who look to the American flag for the same protection and give it the same loyal allegiance that is received and given by the people of continental United States.

What will honorable men the world over think of a Congress that stoops to oppress, by such a betrayal of trust, 4,000,000 helpless Filipinos whose only security lies in the sense of justice that ought to quicken every Senator and Representative in a Congress that calls itself American?

Is there no limit to the contempt for American honor, and the subservience to the greedy demands of special privilege which seems to contaminate this Congress, where American responsibility to the Philippine people is involved?

VETERANS' LEGISLATION

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, the adjusted-service compensation was to equalize wages of the soldier with those who stayed at home and made money. It should have been paid in cash, as the task was finished, and the laborer is entitled to his hire. Every other unfinished contract, like munition makers, were paid in cash. The doughboy was given an endowment policy payable in 1945. He had no option but to accept. Now he needs the money, and our country can pay it without incurring any interest. Instead of issuing bonds the bill passed by the House proposes to issue Treasury notes which will have the full credit of the Government behind them. One billion dollars in gold could be ear-marked as a reserve to this issue. This would create as sound security as any that backs our Nation's currency. This two and one half billion would be equally distributed over every township of our country. It is a fixed and regulated inflation badly needed to help bring us back. Your Representative has three times voted to pay the bonus in cash, and hence continued to support the measure that recently passed the House and is now pending in the Senate.

Much criticism has been lodged against Congressmen for voting for the economy bill last year. This act is the key-stone to the arch of our recovery program. Without the balancing of the Budget covering current expenditures of the Government, we could not have refunded former bonds nor borrowed money to carry out the lines of relief work of the last few months. We had to find jobs for the unemployed and to feed the hungry. The Economy Act is the basis for this program which has been promoted upon borrowed money. It was for the whole Nation to bring us back out of the desperate and tragic plight into which we had fallen. The Members of Congress, all Federal employees, and soldiers took their cuts for good of all.

In carrying out the provisions of the Economy Act, the President issued Executive orders making reductions in both World War and Spanish War veterans' compensations, that went much deeper than any Member of Congress anticipated the cuts would be made. Most unexpectedly and unjustly, your Representative believes, were Spanish War pensioners required to prove service connection for their disabilities. It is now more than 30 years since they served. There were scarcely any hospital records kept, their comrades are scattered or dead, and their doctors cannot be located. It is unjust to require the soldier to furnish a proof that cannot be found because the Nation kept no record of their illness nor their wounds. The recent bill cures this injustice and places Spanish War veterans back in their former pensionable status at 75 percent of their former pensions. I voted for the measure when it passed the House of Representatives but was in Indiana when it came up for action on the veto.

The recent bill passed over the President's veto also returns the presumptive cases of tuberculosis and mental disorder cases arising within the presumptive period after the World War back to 75 percent of their former compensation. This is also a just modification of the Economy Act and Executive orders arising therefrom. There are other needed changes provided in the recent amendment. It is a moderate adjustment of inequalities. Some belittle Congress for overriding the President's veto because of pressure from home. I believe that the true motive of Congress was to do

justice to the soldier. There is no official in public life who has presented to him the ills and problems of the people like a Member of Congress. He is the bumper for their appeals and protests. The Representatives have had presented some most aggravating and appealing cases of injustice. The Veterans' Bureau is often cold, unsympathetic, and unjustly technical. The Congressman appeals for these veterans for justice, but often to no avail. Eventually Congress takes matters into its own hands and rewrites the law so that advantage cannot longer be taken of the veterans by hard-boiled Veterans' Bureau doctors. This is a part of the new deal to do justice to those who fought our country's battles and suffered disabilities from the service.

The recent bill was the result of months of appeal to remedy these injustices. Many worthy cases were arbitrarily rejected and ignored. The administration of these Executive orders was not in the hands of the President but to Veterans' Bureau appointees who decided many just claims against the soldier. Congress has conscientiously endeavored to right the wrongs of the administration of the Economy Act. Most of the four-point program of the American Legion has been enacted. A fair measure of justice has been done the Spanish War veteran. The new law will be more in keeping with justice than the former act. This country cannot afford to be unfair, not even miserly with those who fought our country's battles when our future was hanging in the balance. The tragedies of war must be compensated. Not everyone who claims a pension is entitled to one, but those who have disabilities of service connection and their dependents are entitled to compensation by ancient and well-established precedents and accepted policies of our country.

We feel when fully understood these amendments will be approved, not alone by the soldier but also the people generally.

RECORD ON SOLDIER LEGISLATION ENACTED BY CONGRESS

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, the discussion of soldier legislation carries us back to the beginning of the World War and vividly recalls the days of hurried preparation, quick mobilization, and heroic action. The ex-service men joined the colors after the war resolution was passed on April 6, 1917. They upheld the fine traditions of our country. They are entitled to sympathetic consideration, legislation, and administration at the hands of a grateful Nation.

For the RECORD I want to briefly and frankly review some of the history of the legislation with reference to soldier benefits, and particularly that enacted during the Seventy-second Congress.

A committee was appointed at the previous session to make a comprehensive study of the entire subject of reduction of Government expenses and a bill was reported, but the drastic features with reference to soldiers were eliminated.

It was then urged that the Veterans' Administration was reviewing each case to determine what, if any, benefits each individual was entitled to receive, and the amount.

When the appropriation bill for the fiscal year beginning July 1, 1933, was in course of preparation before a subcommittee, of which I was a member, an effort was made, which I assisted in defeating, to drastically reduce the appropriation. An appeal was taken to the full committee, where I continued my opposition and where I urged that the Veterans' Administration was reviewing all cases, and that every case should stand on its own merits, and that if there were any undeserving cases the Veterans' Administration could correct and eliminate them.

I also invited attention to the fact that a joint committee had been continued to study the legislation and that that committee had not at that time reported. As a result, the appropriation bill was passed without the drastic reduction. This bill met with the veto of President Hoover upon the alleged ground that the appropriation was excessive. How-

ever, this was not correct because the amount carried in the bill was within and less than the Budget estimates.

Therefore when the present administration took charge on March 4, 1933, there was no appropriation for the Veterans' Administration or soldier benefits for the current year beginning July 1, 1933. An appropriation therefore had to be made.

The first message which President Roosevelt submitted to Congress on March 10, the day after he convened it in extra session, called attention in detail to the Government revenues and expenditures, showing that the expenditures for the preceding 3 years had exceeded the revenues by more than \$5,000,000,000, insisting that no recovery was possible without a balanced Budget, which so vitally affected the Nation's credit, and urged that he be given broad powers to reduce Government expenses, including soldier benefits, salaries of all Government employees, including Members of Congress, and the transfer, consolidation, and elimination of bureaus and commissions, in the interest of economy and efficiency. He closed his message by stating:

If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need and of maintaining inviolate the basic welfare of the United States.

An emergency was upon us. Every bank, national and State, had been closed by moratorium orders of the President and the Governors of the several States; factories were idle; some 10 or 15 million men and women were being supported from public or private funds.

The President had been elected by a tremendous popular vote. He carried 42 of the 48 States of the Union.

The chairman of the committee reporting and in charge of this bill, the economy bill, after quoting the above paragraph from the President's message, assured the Members of the House that the authority would be sympathetically exercised and administered. He said:

This bill, if enacted, will not be an act on your part to take a dime from a single worthy ex-service man.

The majority leader of the House, in a fervent effort to support the President, gave a like assurance. Accepting these assurances, the bill afterwards known as the "Economy Act" was passed, with the support of many ex-service men.

However, the rules and regulations prepared for and approved by the President were admittedly too drastic, and many cases were brought to the attention of Members of Congress which showed there were injustices and inequalities in them.

Upon our bringing these to the attention of the President, the rules and regulations were from time to time amended. Congress sought further to correct the abuses in the law and the regulations.

The Connally amendment to the new appropriation bill was first adopted in the Senate. This, among other things, provided for a horizontal reduction of 25 percent. Later the Steiwer-Cutting amendment was adopted as a Senate substitute for the Connally amendment.

The President authorized himself to be quoted as being against both of these amendments and the House adopted a substitute correcting many abuses, and these amendments were thrown into conference between the two Houses.

At this juncture the House steering committee, of which I was a member, was called to make a study of how to secure the most concessions in the interest of the soldiers and to assist the conferees of the two Houses, of which I was a member, to iron out their differences.

Everyone knew it was impossible then to override the veto of the President.

The committee invited many ex-service men, Members of the House, including WRIGHT PATMAN, Capt. GORDON BROWN, and LAMAR JEFFERS, and also called in consultation Watson Miller, representing the World War veterans, to study and interpret the various amendments proposed in the House and the Senate, the regulations and the law, and to devise plans how most effectively to present all phases of

the proposed legislation to the President, in the interest of the ex-service men.

As a result of these conferences, the steering committee appointed a subcommittee, of which I was a member, and enlarged it to include Capt. GORDON BROWNING, WRIGHT PATMAN, and LAMAR JEFFERS, to confer with the President. This we did at a number of prolonged conferences. The President expressed repeatedly the same views he gave utterance to at the Chicago convention.

We succeeded, however, in securing many modifications, including boards to review the presumptive cases, with their compensation continued until October 31, 1933, unless adverse action was taken before that date by the board, with the burden of proof upon the Government. There was reported to be 154,843 of these cases.

These conferences resulted in securing protection for 36,325 widows and dependents.

Non-service-connected World War veterans who are permanently and totally disabled were retained on the rolls. The Spanish-American War veterans, over 55 and under 62 and in need, were provided for. The hospital provision was liberalized. Regional offices were retained and appropriated for. In the meantime the regulations were further amended. In all, it was estimated that the objections of the President had been met and overcome and changes secured resulting in additional benefits for the soldiers of from one hundred to one hundred and fifty million dollars. All members of the committee agreed, as did Capt. GORDON BROWNING and WRIGHT PATMAN and LAMAR JEFFERS, representing the ex-service men, that it was better to accept this compromise than to lose all through a veto, and they earnestly urged the House to accept it.

Such, briefly, is the history, frankly stated, of the enactment of this legislation.

As the representative of the Second Oklahoma District, my constituency, and particularly the soldiers of all wars, are entitled to know my views and my record on soldier legislation while I have represented them in Congress. I do not hesitate to state them. I have outlined them more in detail in the CONGRESSIONAL RECORD of June 15, 1933.

In addition to supporting all appropriations and legislation during and since the World War recommended for the benefit of the ex-service men, permit me to state:

First. I supported and voted for the Gordon Browning amendment in the caucus which provided that the reduction in no event in the allowance to any soldier should exceed 25 percent. This passed the caucus, but not by a two-thirds binding vote, and the rules of the House did not permit its being offered when the bill came up for consideration.

Second. I did not favor the dropping by groups of the names of soldiers receiving benefits but urged that each case should be re-examined and decided upon its own merits.

Third. I favored the retention on the rolls of all those placed there under the law unless shown to be fraudulent or without merit, with the burden of proof upon the Government.

Fourth. I favored the retention of the presumptive cases on the rolls, both to nurse them back to health and as a matter of justice and humanity, because these cases should for the good of society be segregated from the public for its protection.

Fifth. I urged the President to retain on the rolls all those granted pensions under the act of July 3, 1930, reducing the amount not to exceed the proportion of the reduction to other soldiers, urging that the law could be amended as to future applicants, and in support of it I pressed these two arguments: First, that their cases had been settled; and second, many had incurred financial obligations since they had been granted pensions, based upon the amount of these Government allowances.

Sixth. I think the care of all of our soldiers is a national problem and that the obligation rests with the Government to hospitalize all soldiers to the extent of its facilities, giving

first preference to cases of service origin, but to all soldiers to the extent of the Government facilities.

Seventh. I favored the retention of the local regional offices for the convenience of the ex-service men.

Eighth. I favored placing the widows and dependents of World War veterans on a par with the soldiers of all wars.

During the present session of Congress the independent offices appropriation bill was reported to the House under a special rule authorizing certain legislative amendments dealing with soldier legislation. When the bill reached the Senate amendments were added by many Senators, some of which were adopted, which, for the most part restored to the soldiers benefits enjoyed by them before the passage of the Economy Act of March 20, 1933, except as to Spanish-American War veterans who joined the service after the close of the war, August 12, 1898, and who did not participate in the Boxer Rebellion and the Philippine Insurrection, and as to certain World War veterans whose disabilities were not of service origin. The 29,000 presumptive cases, mostly tubercular and mental cases, were restored to the rolls except those who enlisted after the war and the disability is shown to have occurred before or after service. All entitled to hospital facilities and in need were directed to be hospitalized. In fact, except as to the percentage reduction, and except as to Spanish-American War veterans who joined the service after the close of the war on August 12, 1898, and to certain World War veterans whose disabilities were not of service origin, soldier benefits were restored, in substance, to what they were prior to the passage of the Economy Act.

Every effort was made to adjust the differences between the House and the Senate. I was a member of the conference committee and cooperated in every way in an effort to secure the enactment of legislation which would correct the inequalities and injustices done by the Economy Act of March 20, 1933, and did not hesitate to vote to override the President's veto, when I was convinced that he was in error over slight differences between himself and Congress.

It is estimated that approximately 330,000 World War veterans will be affected by this legislation, the annual increased cost of which is estimated at \$83,000,000.

I introduced the bill (H.R. 7092) embodying the four-point program, sponsored by the American Legion, but the substance of this bill was embodied in the legislative amendments attached to the independent offices appropriation bill.

I also supported and voted for the bill providing for the payment of adjusted compensation or bonus certificates:

First, because I thought the compensation—compared to what was being paid to those in civil life—received by the soldiers during the war was inadequate.

Second, because it only provides for the remission of the interest from now until 1945.

Third, because it would greatly aid in relieving the depression. The money would be distributed to beneficiaries in every township and to members of almost every family in the country.

We must constantly keep in mind that there was no appropriation for the Veterans' Administration and for the soldiers of all wars when the new administration came into power March 4, 1933, and the President had the opportunity to urge his views either through the Economy Act or by limitation in the appropriation bill which had to be passed by Congress before funds would be available for the soldiers after July 1, 1933.

Having been privileged to represent the Second Congressional District during the fateful days of 1917 and 1918, I have always keenly felt my responsibility in connection with the World War. I am glad to have the opportunity in the RECORD to review the legislation enacted by Congress, and my own record in detail in connection with it. I am glad also to have the opportunity to frankly submit my views on soldier legislation, confident when they are known and understood that they will meet with the approval of those

whose records have added additional laurels to the flag of our beloved country and whose good opinion I prize.

EDGAR SAMPSON

Mr. MCGUGIN. Mr. Speaker, I move to strike out the last word of the amendment. The Honorable James A. Reed, former United States Senator, has just called me on the telephone and requested me to state to the House that the charge made a few moments ago by the gentleman from North Carolina [Mr. BULWINKLE] that Dr. Wirt had served a term in jail during the World War is wholly malicious and wholly false; that Dr. Wirt's record is clean, and that he has never been arrested.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. MCGUGIN. Yes.

Mr. BYRNS. I thought we had decided this afternoon to stop all further discussion of that matter. The gentleman himself started it. I thought we had agreed to quit and attend to the business of the House and not play petty politics on this floor while there is important business to attend to.

Mr. MCGUGIN. Does the gentleman say it is petty politics to stand here on the floor of the House and correct a statement which slanders a man, which charges that he served time in jail for disloyalty to the country, when it is not true? Is that petty politics?

Mr. BYRNS. I do not say that; but I say the gentleman's speech which started this discussion a while ago was nothing more nor less than petty politics.

Mr. MCGUGIN. It was not petty politics. Petty politics does not warrant anyone to defame the character of an American citizen, be that citizen Dr. Wirt or any other citizen.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time; was read the third time, and passed.

A motion to reconsider was laid on the table.

JOSEPH DUMAS

The Clerk called the next bill, H.R. 4846, for the relief of Joseph Dumas.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object in order to ascertain, if it is possible, the present condition of Mr. Dumas, if the author of the bill is present.

Mr. MORAN. Mr. Speaker, the information that I get is that he is still extremely lame, as it is stated he would be in the last sentence of the report.

Mr. BLANCHARD. I have examined the report, and on the basis of the report and the indications of the man's injuries, I think the sum of \$2,500 is altogether too high.

Mr. ZIONCHECK. One thousand and five hundred dollars ought to be satisfactory.

Mr. BLANCHARD. If the gentleman will agree to accept an amendment reducing the amount to \$1,500, I have no objection to the passage of the bill.

Mr. MORAN. I am obliged to accept.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$5,000 to Joseph Dumas, of Waterville, Maine, for injuries received by said Dumas on September 9, 1927, at said Waterville, through the negligence of an employee in the United States Railway Mail Service.

With the following committee amendment:

Page 1, line 6, strike out "\$5,000" and insert "\$2,500."

Mr. BLANCHARD. Mr. Speaker, I move to amend the committee amendment by striking out "\$2,500" and inserting in lieu thereof "\$1,500."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANCHARD: Amend the committee amendment by striking out "\$2,500" and inserting in lieu thereof "\$1,500."

The SPEAKER. The question is on agreeing to the amendment of the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The SPEAKER. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Page 1, line 7, after the word "Maine", insert "in full payment and settlement of all claims against the United States", and at the end of the bill insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FREDERICK L. CAUDLE

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 304, H.R. 5689, providing for the advancement in rank of Frederick L. Caudle, on the retired list of the United States Navy. The gentleman who objected and I have worked out an amendment satisfactory to both of us.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That Ensign Frederick L. Caudle, United States Navy, retired, shall have the rank and receive the pay and allowances on the retired list of the United States Navy as a lieutenant (junior grade) with 3 years of service.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: Line 6, after the word "with", insert "less than."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GALEN E. LICHTY

The Clerk called the next bill, H.R. 4847, for the relief of Galen E. Lichty.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I reserve the right to object, to ask the author of the bill if he has any objection to the usual amendment providing that this shall be in full settlement of all claims against the Government of the United States, and also the attorney's fee amendment.

Mr. MOREHEAD. Mr. Speaker, this county came into my district under the new redistricting of the State. This claim has been approved and passed here, as the gentleman will notice, by the House, and also has been twice to the Senate, but failed to be enacted. I have no objection to the amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$554.70 to Galen E. Lichty, stamp clerk of the post office at Beatrice, Gage County, Nebr., to reimburse him for funds stolen from the Beatrice post office by unknown persons on the day of November 17, 1928.

Mr. HOPE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HOPE: After the figures in line 5, insert "in full settlement of all claims against the Government of the United States", and at the end of line 9 insert "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

THE REAL CAUSE OF THE DEPRESSION

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, disease is the result of the violation of the laws of health, the disregard of some natural law. Many governmental diseases are the direct result of a maladministration of our benign system of government and the penalties we pay for having abandoned the high ideals that underlie, permeate, and vitalize our free institutions. The great depression through which we have been passing is the result of too little government of the right kind and too much government of the wrong kind, under the Harding, Coolidge, and Hoover administrations.

For 12 years big business was in the saddle, booted and spurred, recklessly riding over the so-called "common people" and "middle classes." The beneficiaries of special-privilege legislation unconscionable augmented their unearned and undeserved bounties, and mercilessly exploited the masses. Class legislation was the order of the day. Powerful plunderbunds stabled their richly caparisoned horses of special privilege in the corridors of the Capitol to browbeat the Representatives of the people and punish all who refused or even hesitated to register their bidding. Predatory wealth and organized greed exacted and obtained their pound of flesh. Control of our currency, credits, and national wealth was in the hands of a few masters of finance and big-business buccaneers, who ruthlessly manipulated markets and depressed commodity prices, flooded the country with worthless stocks and bonds, overcapitalized industry, turned the stream of commerce from its natural channel, ushered in an orgy of speculation, staged a frenzied big-business carrousel, and inaugurated an era of legislative favoritism, economic greed, and social injustice.

And what was the result? Intermittent financial fevers, industrial malaria, unemployment flux, agricultural palsy, transportation anemia, bankers' chills, and strange as it may seem, at the same time, both high and low economic blood pressure. These maladies were the inevitable consequences of our having abandoned safe and sane methods in the management of our business and governmental affairs under the last three national Republican administrations.

In harmony with the false and pernicious political philosophy of the Republican Party prior to the inauguration of President Roosevelt, our Government became so entangled with business, and business became so interlocked with Government, that whatever influenced the one inevitably affected the other. Big business and the Government became as closely related as Eng and Chang, the Siamese twins, so that if either took snuff the other sneezed. Unbalanced budgets, reduced revenues, wasteful expenditures, corruption in high places, and a virile brood of vexatious political and governmental problems followed in the wake of economic, industrial, financial, and agricultural maladjustments.

Whether our economic, civic, and social problems are primarily governmental or economic, they undoubtedly flow

from an improper relationship between the Government and the people. For 12 years, from the advent of the Harding administration to the end of the Hoover regime, something, yes, nearly everything, was out of balance.

The relationship between the several vocational groups has been artificially influenced and maladjusted by legislative favoritism or by unwise intermeddling by the Government in matters entirely within the sphere of private initiative. Favorable or unfavorable conditions were stimulated because of too much or too little government, and frequently highly artificial and exceedingly unsound economic conditions were created with either the express or implied sanction of the Government.

Under the last three national Republican administrations, a few powerful and well-organized groups applied irresistible pressure to our executive and legislative departments, and habitually dictated the language of the laws under which they plundered the people and recklessly disregarded the natural political and economic rights of the unorganized masses. Unfavorable and radical reaction from these artificially created conditions was inevitable.

What is the relationship between the Government and big business? Why should the Government suffer from the same distemper that afflicts agriculture, industry, transportation, banking, and commerce? When the manufacturer, the banker, the merchant, and the farmer eat sour grapes, why are Uncle Sam's teeth set on edge? In my opinion, the efficiency and usefulness of our Government were materially impaired as a direct result of our abandonment under Harding, Coolidge, and Hoover of many of the ideals, principles, and policies on which our governmental structure rests. We fell into the pit of depression because we did not walk in the old paths and because we strayed far from the landmarks established by the men who founded and bequeathed to us the best system of government so far devised by man.

Our Republic was set up by men who had just emerged from a successful rebellion against a paternalistic nation, under which there was an inequitable distribution of the burdens and benefits of government. Our constitutional fathers endeavored to establish and believed they had established a Nation, the activities of which would necessarily be confined exclusively to questions which had to do with personal and political liberty, social order, and the maintenance of a wise, stable, and benevolent Government, untouched by the filthy finger of privilege and unawed by the arrogant and greedy demands of predatory wealth and organized pillage.

It was never contemplated by the men who founded our free institutions that our Federal Government would be called upon to enrich one class of people at the expense of other classes, or to grant special privileges in one section or to one group, and deny similar privileges to other sections and other vocational groups; or that the Government would invade the domain of private business and allow certain favored classes to use its agencies and instrumentalities to accomplish their selfish, cynical, and sordid purposes.

Having won their freedom at the point of the sword, our forefathers had no thought of establishing a government like that against which they had rebelled. The men who charted our national course never would have sanctioned class legislation which under Republican administrations became a malignant cancer fastened to our body politic and gnawing at our vitals; nor would they have looked with tolerance on the creation of favored groups, who, under solemn legislative mandate, are permitted to use our governmental agencies for their own enrichment, at the expense of more numerous but less-favored classes.

If those intrusted with the conduct of our public affairs had steadfastly steered a straight course and not deviated from the letter and spirit of our organic law, and had not yielded to the seductive appeals of certain powerful and efficiently organized groups, and had refused to enact class legislation of any kind or character, we would not now be plagued with a multitude of embarrassing governmental problems, and the economic life of the American

people would have been less spectacular, but more balanced, stable, virile, and equitable.

We are confronted by these so-called "governmental problems", because in an hour of weakness we sanctioned the enactment of class legislation, which is contrary to the genius and spirit of our institutions. Having once opened the door to class legislation for the enrichment of one group at the expense of another, we are now seemingly powerless to close it. Having once enthroned special privilege, it insolently declines to abdicate or surrender its unearned bounties.

If we had not established the policy of enacting laws to supplement individual initiative and to create an artificial prosperity in certain lines of business, we would not be confronted by the unemployment problem, the industrial problem, the tariff problem, the transportation problem, the farm problem, the financial problem, and numerous other problems that threaten our industrial peace, social order, and economic life. And may I add, we have an agricultural problem, because, by legislative enactments extending over a long period of years, the Government destroyed the economic equality or balance that previously existed and should always exist between agriculture and industry. The Government has stabilized industry by high-tariff laws and given the American manufacturer a monopoly on the American market which enables him to sell his commodities to the farmer, laborer, and unprotected masses at unconscionable profits, thereby destroying the proper balance between the vocational groups, especially between agriculture and industry.

By legislative action the Government has come to the rescue of the manufacturer, the banker, the railroad, and big business. By legislative fiat these callings have been stabilized and their incomes and profits substantially increased. It would be futile at this late day to complain of the help which the Government has extended to these other favored classes, but I am convinced that agriculture should be given the same kind of help that has been so unstintingly granted to other industries. The business of practically every other great industry has been artificially stimulated, stabilized, and safeguarded by congressional action. This has materially strengthened and enriched these other vocational groups at the expense of agriculture. Our Government should either cease legislating for the stabilization and enrichment of other industries and activities, or it should extend the same treatment to agriculture.

But you say the Government has legislated for the benefit of the farmer, to which I reply that the farmer has been denied the only kind of legislation that can afford him substantial relief, legislation that will restore his purchasing power, stabilize the market price of his farm products on higher levels so as to enable him to balance his budget and sell his commodities at a price that will not only return the cost of production but yield a fair profit over production costs; legislation that will narrow the spread between what the farmer gets for his products and what he pays for his supplies.

In the last analysis the prosperity of all other vocational groups depends very largely on the prosperity of the agricultural classes, and until agriculture is restored to the list of profitable occupations, we will continue to flounder in the pit of depression.

C. J. HOLLIDAY

The Clerk called the next bill, H.R. 4927, for the relief of C. J. Holliday.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. TAYLOR of South Carolina. Will the gentlemen withhold objections for a moment?

Mr. BLANCHARD. Yes. I am willing to reserve the objection.

Mr. TAYLOR of South Carolina. This is a case where a man went on a surety bond, without any pay or any fee, just as a friend. He signed a bond for another fellow who was in jail. He got out and absconded, and the bond was for-

feited. Subsequently to that time, the man at his own expense apprehended the man and returned him to court, and satisfied the sentence. This is to reimburse the man for his bond. He received no fee whatever. This is not a professional bondsman.

Mr. ZIONCHECK. The United States district attorney and the Department of Justice are opposed to paying back this money, are they not?

Mr. TAYLOR of South Carolina. I think they are in favor of it.

Mr. ZIONCHECK. I believe the gentleman is wrong about that.

Suppose we pass the next four bills for the time being.

Mr. TAYLOR of South Carolina. Mr. Speaker, I ask unanimous consent that the next four bills be passed over for the time being, and that we may return to them later. They are numbers 313, 315, and 316 on the calendar.

Mr. ZIONCHECK. Number 314 involves a different principle.

Mr. TAYLOR of South Carolina. I just want to conserve time and check up on the point asked by the gentleman from Washington [Mr. ZIONCHECK].

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that Private Calendar bills numbered 313, 315, and 316 be passed over without prejudice.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PALMETTO COTTON CO.

The Clerk called the next bill, H.R. 4928, for the relief of the Palmetto Cotton Co.

Mr. HOPE. Reserving the right to object, I wish the author of the bill would explain the circumstances under which this remittance appears to be made.

Mr. TAYLOR of South Carolina. Mr. Speaker, this involves a mortgage given by a Mr. Tribble. A mortgage was given to the farmers' seed loan, a branch of the Government. Prior to that a mortgage was given to the Patrick Motor Co. The cotton was sold to the Palmetto Cotton Co., and they sent the money to the Government, disregarding the prior lien that was on the record in the court, in the proper place. The Government recognizes in this report that it is not entitled to this money, but under their machinery they cannot refund it, and this is the only way the man can be recompensed.

Mr. HOPE. This bill is to reimburse the party who bought the cotton, and apparently it was through his own negligence that the money was paid to the junior lien holder instead of the first lien holder.

Mr. TAYLOR of South Carolina. Yes; but it was an oversight. He should not be penalized for paying it to a man who was not entitled to it. The person to whom it was paid wants to refund it, and the only machinery by which it can be done is by this bill.

Mr. HOPE. Does the Government have any security by which it will get its money if this is refunded?

Mr. TAYLOR of South Carolina. I do not know; but certainly the Government will not be in any worse position by reason of passing this bill than it was when it took a second mortgage, when it should have exercised the precaution of taking a first mortgage. There is no use making this man the victim because of the Government's negligence in not properly protecting itself against a prior mortgage.

Mr. HOPE. Of course, it was due to the negligence of the party we are trying to relieve that the money was paid to the Government; but in view of the fact that the Department is willing that this bill should be enacted, and has no objection to it, I shall not object.

Mr. TAYLOR of South Carolina. I appreciate that on the part of the gentleman.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$140, which sum represents a part of the remittance to the farmers' seed loan offices of the Department of Agriculture by the Palmetto Cotton Co. in payment of a loan of Hollock Tribble to the said farmers' seed loan office, upon which amount a prior lien or mortgage existed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELENA C. VONGRONING AND STEPHAN VONGRONING

The Clerk called the next bill, H.R. 4958, for the relief of Helena C. VonGroning and Stephan VonGroning.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ALFRED HARRIS

The Clerk called the next bill, H.R. 4990, for the relief of Alfred Harris.

Mr. ZIONCHECK. Mr. Speaker, I object.

SOPHIE CARTER

The Clerk called the next bill, H.R. 5000, for the relief of Sophie Carter.

Mr. HOLLISTER. Reserving the right to object, I should like to ask the proponent of this bill some questions. I have no objection except that it should contain certain formal amendments. I will withdraw my objection with the understanding that those amendments may be agreed to.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NICOLA VALERIO

The Clerk called the next bill, H.R. 5405, for the relief of Nicola Valerio.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I ask that this bill be passed over.

Mr. BLANTON. Well, Mr. Speaker, it is double the amount that is customary, as a maximum allowed in a death claim.

Mr. BLACK. I am willing to have the amount reduced.

Mr. BLANTON. I think possibly the bill ought to be passed, but for only half the sum.

Mr. TRUAX. Mr. Speaker, I withdraw my objection.

Permit me to call to the attention of the gentleman the fact that we have been passing quite a number of bills for the relief of surviving relatives of individuals who have been killed because of the reckless driving of mail trucks. I think the Post Office Department should take some action to curb the reckless and careless driving of mail trucks by its employees.

Mr. BLANTON. Mr. Speaker, I think our colleague should go down to the Post Office Department and get every one of their employees on wheels admonished. For that matter I think he ought to get the Post Office Department to admonish also every postmaster and every custodian of a post office that hereafter they better be careful to adhere to the regulations with regard to locking safes and protecting the property of the United States Government, because we are going to be mighty careful in future about granting these reimbursements.

Mr. TRUAX. I suggest that the gentleman from Texas take the matter up himself.

Mr. BLANTON. I have been trying for 10 years to get that done. Let this be our insistent request upon the Post Office Department that it shall warn all employees to be extremely careful so that we may stop these numberless claims against the Government. I think maybe the very active senatorial aspirant from Ohio may be very helpful in bringing this notice from Congress to the Post Office Department.

Mr. TRUAX. I may say to the gentleman that as I have no post-office patronage, possibly it would be a good idea for me to do it.

Mr. HOLLISTER. Mr. Speaker, further reserving the right to object, there should be inserted in the bill a formal statement that it is in full settlement of all claims against the Government.

Mr. BLANTON. And the amount should be reduced from \$10,000 to \$5,000.

Mr. HOLLISTER. If that is inserted, I shall have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nicola Valerio, father of Joseph Valerio, deceased, the sum of \$10,000 on account of the death of the aforesaid Joseph Valerio, which was caused by his being struck by a post-office mail truck: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. HOLLISTER. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 1, line 6, after the "\$10,000", insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$5,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT R. PRANN

Mr. BLACK. Mr. Speaker, I ask unanimous consent that the bill (H.R. 6585) for the relief of Robert R. Prann, Private Calendar No. 117, be laid on the table.

The reason I submit this request is that a similar bill has passed the Senate. This bill was one of those objected to by the gentleman from New York [Mr. FISH] during the early part of the session when we had trouble with regard to inserting the Lindbergh telegram in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DR. WIRT

Mr. SWICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. SWICK. Mr. Speaker, several days ago I called upon the Members of this House to awaken from the hypnotic trance resulting from the monotonous rhythm of a one-man band sounding the paternalistic notes of the "brain trusters."

This morning in the caucus room of the new House Office Building, a committee composed of Members of this body convened for the purpose of inquiring into certain charges against these supermen, who have been drafted into Federal service for the purpose of national recovery, by a distinguished educator.

Leaders of this House and of the administration have seen fit to discredit this accuser, even to the extent of claiming it is all a partisan political move; and yet, to the consternation of the minority members of the committee, there appeared in the role of counsel for Dr. Wirt none other than Jim Reed, of Missouri, who is undoubtedly one of the outstanding Democrats, if not the outstanding, in the United States.

There seems to be a well-defined determination on the part of the committee, of the majority members I should say, to bring the hearing to a quick determination, even though it becomes necessary to resort to unprecedented and un-American practices to do so, by denying the man whom they have summoned the right to make a statement unhindered.

It is not my purpose to say whether the charges are true or untrue. I do believe they are of sufficient gravity to merit a very thorough investigation. The fact that Senator Reed has associated himself with the accuser is to any patriotic American proof that the situation is a serious one.

If there is an organized effort on the part of men and women now within the heart of our Federal Government to substitute the atheistic doctrines of communistic Russia for the constitutional rights of Americans, they should be exposed.

I believe the patriotic sense of Americans will demand that this matter be given the same thorough investigation as is given other questions of much less importance. If the charges are false—and let us hope they are—they should be proved so beyond a doubt; otherwise, they will hang like a dark cloud over us, and do much to hinder recovery.

CHARGES OF DR. WIRT

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?
There was no objection.

Mr. FOULKES. Mr. Speaker, I want to call attention to the fact that certain Congressmen are being flooded with letters—all of them mimeographed form letters or copies from such forms—that seem to smack of Nazi propaganda and that coincide with the charges of Dr. Wirt. They are plainly the work of some propaganda organization bent on painting the administration as "red" and inflaming the passions and prejudices of people.

This is the form that is followed in letters coming to me and to one other Congressman:

Much is being said in the daily press about communism existing in the Roosevelt "brain trust." As a citizen of your State, I join with others in requesting you to use your powers in having these charges investigated to the very limit. And if they are found to be true, I plead with you to do your utmost to purge official Washington of these subversive influences. We should not go to atheistic Moscow for ideas on how to run the government of a Christian nation.

The letters come from certain cities in Michigan, including Detroit, Benton Harbor, and Niles, and some in central New York—Johnson City, Oneonta, Glen Aubrey, Union, and Laurens. I am withholding the names of the signers for the present.

PLAYA DE FLOR LAND & IMPROVEMENT CO.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 108, the bill H.R. 5284, for the relief of the Playa de Flor Land & Improvement Co., and that said bill be now considered. I objected to it in the first place not understanding the bill. I understand, however, that it is urgent that the bill be passed.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. ZIONCHECK. It gives the right to certain land companies in Panama to have their claims for land adjudicated by the Federal court in Panama. It does not authorize any appropriation, and Congress will pass upon any amount the court allows, if it should allow any.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the District Court of the Canal Zone to hear and determine, without intervention of a jury, but subject to the provisions for appeal as in other cases provided by the Panama Canal Act, as amended, the claim of the Playa de Flor Land & Improvement Co. against the United States on account of property taken by the United States in the Canal Zone.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURALIZATION PROCEEDINGS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution No. 35.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the House concurrent resolution, as follows:

House Concurrent Resolution 35

Resolved by the House of Representatives (the Senate concurring). That the President is requested to return to the House of Representatives the bill (H.R. 3521, 73d Cong., 2d sess.) entitled "An act to reduce certain fees in naturalization proceedings, and for other purposes", for the purpose of correcting an error in said bill.

The House concurrent resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BULWINKLE, for 3 days, on account of personal business.

To Mr. DOUTRICH, indefinitely, on account of illness.

To Mr. NESBIT, for 1 week, on account of death in family.

To Mr. KNUTE HILL, for 2 weeks, on account of illness of sister.

WILLIAM L. JENKINS

Mr. DITTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DITTER. Mr. Speaker, in connection with the consideration earlier today of the bill (H.R. 1939) for the relief of William L. Jenkins, in answer to the question of the gentleman from Ohio, I made the statement that the bill had passed the Seventy-second Congress. I wish to correct that statement. It was favorably reported, but it was not passed.

ORDER OF BUSINESS

Mr. BYRNS. In order that Members may be advised, if the House is willing to acquiesce in the unanimous-consent request I am going to submit, I ask unanimous consent that on tomorrow, in the event the gentleman from Missouri [Mr. CANNON] is unable to be present to take up the appropriation bill for the District of Columbia, it may be in order to continue the call of bills unobjected to on the Private Calendar, beginning where the call left off this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 193. An act to amend section 536c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929;

S. 194. An act to change the name of B Street SW. in the District of Columbia;

S. 1820. An act to amend the Code of Law for the District of Columbia;

S. 1983. An act to authorize the revision of the boundaries of the Fremont National Forest in the State of Oregon;

S. 2006. An act for the relief of Della D. Ledendecker;

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia;

S. 2509. An act to readjust the boundaries of Whitehaven Parkway at Huidekoper Place in the District of Columbia, provide for an exchange of land, and for other purposes;

S. 2545. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.;

S. 2571. An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes;

S. 2675. An act creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.;

S. 2857. An act to amend an act entitled "An act to incorporate the Mutual Fire Insurance Co. of the District of Columbia", as amended; and

S.J.Res. 15. Joint resolution extending to the whaling and fishing industries certain benefits granted under section 11 of the Merchant Marine Act, 1920, as amended.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p.m.) the House adjourned until tomorrow, Thursday, April 12, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(Thursday, Apr. 12, 10 a.m.)

Continue hearings on H.R. 5205, 8581, and 8930, also S. 2629, in the committee room.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ZIONCHECK: Committee on Naval Affairs. H.R. 4944. A bill authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U.S.S. *Newport*; without amendment (Rept. No. 1197). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRUNNER: Committee on the Post Office and Post Roads. H.R. 7302. A bill to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violation of the customs laws; without amendment (Rept. No. 1200). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUBBS: Committee on Indian Affairs. H.R. 8494. A bill to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do; with amendment (Rept. No. 1201). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DREWRY: Committee on Naval Affairs. H.R. 2085. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U.S.S. *Paducah*; without amendment (Rept. No. 1196). Referred to the Committee of the Whole House.

Mr. O'CONNELL: Committee on Naval Affairs. H.R. 5544. A bill for the relief of Capt. Arthur L. Bristol, United States Navy; without amendment (Rept. No. 1198). Referred to the Committee of the Whole House.

Mr. MILLARD: Committee on Naval Affairs. H.R. 6128. A bill to correct the naval record of Joseph Horace Albion Normandin; with amendment (Rept. No. 1199). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H.R. 1451) granting a pension to Cornelia M. Campbell, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLANTON: A bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes; to the Committee on Appropriations.

By Mr. BACHARACH: A bill (H.R. 9062) to regulate the expenditure of public moneys heretofore and hereafter available for expenditure in carrying out the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", and for other purposes; to the Committee on Military Affairs.

By Mr. REED of New York: A bill (H.R. 9063) to provide for preliminary examination and survey of Barcelona Harbor, Chautauqua County, N.Y.; to the Committee on Rivers and Harbors.

By Mr. SCHULTE: A bill (H.R. 9064) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River at or near a point suitable to the interests of navigation, east of Clark Street, in Gary, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. TREADWAY: A bill (H.R. 9065) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas (by request): A bill (H.R. 9066) to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H.R. 9067) to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

Also, a bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; to the Committee on Naval Affairs.

By Mr. CELLER (by request): A bill (H.R. 9069) to provide for the establishment of unemployment and social insurance, and for other purposes; to the Committee on Labor.

By Mr. FITZGIBBONS: A bill (H.R. 9070) relating to the eligibility of persons for appointment in the classified civil service; to the Committee on the Civil Service.

By Mr. ARENS: Joint resolution (H.J.Res. 319) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Georgia: A bill (H.R. 9071) granting a pension to Clarence Allen; to the Committee on Pensions.

Also, a bill (H.R. 9072) for the relief of the legal representatives of the estate of John H. Christy; to the Committee on Claims.

By Mr. BURNHAM: A bill (H.R. 9073) granting a pension to Robert Fuller; to the Committee on Pensions.

By Mrs. CLARKE of New York: A bill (H.R. 9074) granting a pension to Sarah W. Chisholm; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H.R. 9075) granting a pension to Minnie G. Jones; to the Committee on Invalid Pensions.

By Mr. GRIFFIN: A bill (H.R. 9076) conferring jurisdiction upon the Court of Claims of the United States to hear,

determine, and render judgment upon the claims of Edward A. McCormack; to the Committee on Claims.

By Mr. KINZER: A bill (H.R. 9077) granting a pension to George Newton Groff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9078) granting an increase of pension to Lydia A. Stuard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9079) granting an increase of pension to Sarah C. Wiley; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H.R. 9080) granting a pension to Susan Maude Hall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9081) granting a pension to Angeline Roudabush; to the Committee on Invalid Pensions.

By Mrs. McCARTHY: A bill (H.R. 9082) for the relief of Charles W. Cole; to the Committee on Military Affairs.

By Mr. PARKS: A bill (H.R. 9083) for the relief of R. K. Garfield; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H.R. 9084) to authorize the Comptroller General to settle and certify for payment the account of M. M. Smith as de facto United States commissioner for the northern district of West Virginia from May 1, 1933, to October 1, 1933; to the Committee on Claims.

By Mr. SHANNON: A bill (H.R. 9085) for the relief of Dory Cleo Arnold; to the Committee on Naval Affairs.

By Mr. WOLFENDEN: A bill (H.R. 9086) for the relief of Stewart A. McDowell; to the Committee on Military Affairs.

By Mr. JONES: Joint resolution (H.J.Res. 320) authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; to the Committee on the Library.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3772. By Mr. ANDREW of Massachusetts: Petition adopted by the General Court of Massachusetts, favoring the making of loans by the Reconstruction Finance Corporation directly to industry instead of through the agency of mortgage-loan companies; to the Committee on Banking and Currency.

3773. By Mr. BEITER: Petition of the Radio Workers Federal Labor Union, No. 18739, Tonawanda, N.Y., urging support of the Wagner labor and Connery 30-hour week bills; to the Committee on Labor.

3774. By Mr. CONNERY: Petition of the Commonwealth of Massachusetts, memorializing Congress for legislation to promote the establishment of unemployment insurance; to the Committee on Labor.

3775. Also, resolution of the City Council of the city of Lynn, Mass., requesting that one of the new warships be named U.S.S. *Lynn*; to the Committee on Naval Affairs.

3776. By Mr. DONDERO: Resolution adopted by the Commission of the city of Royal Oak, Mich., urging that payment by the United States Government to all depositors of both State and national banks, including members of the Federal Reserve System, and all banks which had been members of the Federal Reserve System even though they were not such members at the time of closing, be authorized; to the Committee on Banking and Currency.

3777. By Mr. FOCHT: Petition from citizens of Huntingdon County, Pa., protesting against the enactment of Senate bills 2258 and 885; to the Committee on the Judiciary.

3778. By Mr. GOODWIN: Petition of the Woman's Christian Temperance Union of Cobleskill, N.Y., respectfully petitioning Congress for favorable action on the Patman motion picture bill (H.R. 6097) providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3779. Also, petition of the New York State Association of Highway Engineers, Albany, N.Y., expressing approval of the Whittington bill, providing additional moneys for highway construction to the extent of \$400,000,000; to the Committee on Roads.

3780. By Mr. FITZPATRICK: Petition of the South Yonkers Residents' Association, endorsing the McLeod banking bill; to the Committee on Banking and Currency.

3781. By Mr. LINDSAY: Telegram from Hon. George U. Harvey, president of the Borough of Queens, New York City, urging passage of the McLeod bill; to the Committee on Banking and Currency.

3782. Also, petition of Thomas L. L. Ryan, of Pedlar & Ryan, Inc., New York City, opposing amendment to revenue bill which would tax coconut oil 5 cents a pound; to the Committee on Ways and Means.

3783. Also, petition of the Women's Division to Navy Yard Retirement Association, Local No. 1, Brooklyn, N.Y., favoring the passage of House bill 4492; to the Committee on Pensions.

3784. Also, petition of Hazel I. Burkhardt, of New York City, opposing the passage of the bill to regulate the stock exchange; to the Committee on Interstate and Foreign Commerce.

3785. Also, petition of Paul Forster, of New York City, opposing the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3786. Also, petition of W. E. Malpas, of Hoboken, N.J., opposing the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3787. Also, petition of James Cunningham, of New York City, opposing the passage of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3788. Also, petition of R. V. Martin, of Queens Village, Long Island, N.Y., opposing the passage of the Fletcher-Rayburn bill in its present form; to the Committee on Interstate and Foreign Commerce.

3789. Also, petition of Pasquale Chirichella, of Brooklyn, N.Y., opposing the passage of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3790. Also, petition of Jesse Kettell, of Brooklyn, N.Y., opposing the Fletcher-Rayburn bill in its present form; to the Committee on Interstate and Foreign Commerce.

3791. Also, petition of Arnold A. Martin, of Brooklyn, N.Y., opposing the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3792. Also, petition of the Maramaros Young Men's Society of Brooklyn, Inc., urging support of the Lundeen bill (H.R. 7598); to the Committee on Labor.

3793. Also, telegram from William Merrill, of Brooklyn, N.Y., favoring passage of the McLeod banking bill; to the Committee on Banking and Currency.

3794. Also, telegram from Irving J. Applebaum, of Brooklyn, N.Y., urging support of the McLeod banking bill; to the Committee on Banking and Currency.

3795. Also, telegram from Hon. Joseph Clark Baldwin 3d, minority leader, board of aldermen, New York City, favoring enactment of the McLeod banking bill; to the Committee on Banking and Currency.

3796. Also, telegram from Robert Pierce, of Brooklyn and New York, favoring enactment of the McLeod bill; to the Committee on Banking and Currency.

3797. By Mr. MILLARD: Petition signed by residents of Westchester County, N.Y., urging the repeal of that part of the Economy Act which permits department heads to impose payless furlough days on Government employees; to the Committee on the Post Office and Post Roads.

3798. Also, petition signed by residents of White Plains, Westchester County, N.Y., protesting against the reduction of time for Radio Station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

3799. By Mr. REED of New York: Petition of the Central Council of Associated Societies, of Dunkirk, N.Y., to commemorate the service of the Polish Army in France; urging unemployment insurance or old-age pension; to the Committee on Labor.

3800. By Mr. SWICK: Petition of Jane Sattins, representing 358 residents of Butler, Pa., favoring the amendment to Senate bill 2910 to eliminate monopoly and to insure equality of opportunity and consideration for educational, religious,

agricultural, cooperative, and similar non-profit-making associations in the granting of radio licenses; to the Committee on Merchant Marine, Radio, and Fisheries.

3801. Also, petition of Frances J. Shroup and numerous other citizens of Butler and Herman, Pa., favoring the amendment to Senate bill 2910 to eliminate monopoly and to insure equality of opportunity and consideration for educational, religious, agricultural, cooperative, and similar non-profit-making associations in the granting of radio licenses; to the Committee on Merchant Marine, Radio, and Fisheries.

3802. By Mr. TREADWAY: Resolution adopted by the General Court of Massachusetts, memorializing Congress in favor of direct loans to industry by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

3803. By the SPEAKER. Petition of the American Society for Pharmacology and Experimental Therapeutics; to the Committee on Interstate and Foreign Commerce.

3804. Also, petition of California Progressives, regarding the cancelation of air-mail contracts; to the Committee on the Post Office and Post Roads.

3805. Also, petition of the Vera Cruz Council, No. 647, Knights of Columbus; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

THURSDAY, APRIL 12, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

The Senate met at 12 o'clock noon, on the expiration of the recess.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Pope
Ashurst	Cutting	Keyes	Robinson, Ind.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Loung	Smith
Bone	Fess	Long	Steiwer
Borah	Frazier	McCarran	Stephens
Brown	George	McGill	Thomas, Okla.
Bulkeley	Gibson	McKellar	Thomas, Utah
Bulow	Goldsborough	McNary	Thompson
Byrd	Gore	Metcalf	Townsend
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Neely	Van Nuys
Caraway	Hastings	Norbeck	Wagner
Carey	Hatch	Norris	Walcott
Clark	Hatfield	Nye	Walsh
Connally	Hayden	O'Mahoney	
Copeland	Hebert	Overton	
Costigan	Johnson	Pittman	

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mr. ROBINSON], who has been detained by a rather serious illness in his family. I ask that this announcement stand for the day.

I also announce the absence of the Senator from California [Mr. McAdoo], the junior Senator from Florida [Mr. TRAMMELL], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Maryland [Mr. TYDINGS], the Senator from Alabama [Mr. BLACK], the Senator from Massachusetts [Mr. COULDGE], the senior Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], and the Senator from North Carolina [Mr. RYLANDS], who have been called away on official business.

I regret to announce the absence of the Senator from Montana [Mr. WHEELER], occasioned by illness.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. REED] and the Senator from Missouri [Mr. PATTERSON] are necessarily absent.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a memorial of several citizens of Muskogee, Okla., remonstrating against the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which was referred to the Committee on Education and Labor.

Mr. WALSH presented a petition of sundry citizens of Springfield, Mass., praying for such amendment of the pure food and drug laws as will assure the public of the continued professional protection of legally responsible registered pharmacists wherever drugs and medicine are supplied, distributed, or offered for sale, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the Manufacturers' Textile Association, Worcester, Mass., protesting against the passage at the present time of the so-called "Wagner bill", being Senate bill 2280, providing for unemployment insurance, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Massachusetts State Council of Carpenters, favoring a speedy termination of the C.W.A. relief program, and that in place thereof the original P.W.A. program be immediately expedited, which was referred to the Committee on Finance.

He also presented a petition of citizens of Worcester, Mass., being members of the congregation of the First Church of Christ, praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented the memorial of the Massachusetts Indian Association, Boston, Mass., remonstrating against the passage of the bill (H.R. 7902) to grant to Indians living under Federal tutelage the freedom to organize for purposes of local self-government and economic enterprise, to provide for the necessary training of Indians in administrative and economic affairs, to conserve and develop Indian lands, and to promote the more effective administration of justice in matters affecting Indian tribes and communities by establishing a Federal Court of Indian Affairs, which was referred to the Committee on Indian Affairs.

He also presented a resolution adopted by the City Council of Revere, Mass., favoring the passage of the bill (H.R. 7986) to amend the Radio Act of 1927, approved February 23, 1927, as amended (44 Stat. 1162), which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Manufacturers' Textile Association Worcester, Mass., protesting against the passage of the so-called "Capper truth-in-fabric bill", which was referred to the Committee on Interstate Commerce.

He also presented the petition of members of Pioneer Lodge, No. 238, Brotherhood of Railroad Trainmen, of Springfield, Mass., favoring amendment of the Railway Labor Act and the passage of legislation providing for the 6-hour day and other matters for the benefit of trainmen, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Woman's Home Missionary Society of Watertown; the Worcester Better Films Council, of Worcester; and the Woman's Christian Temperance Unions of Springfield, Spencer, and Worcester, all in the State of Massachusetts, praying for the passage of the so-called "Patman motion-picture bill", being House bill 6097, providing for higher moral standards for films entering interstate and foreign commerce, which were referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Central Political and Social Club, of Boston, Mass., favoring the adoption by the House of Representatives of a resolution submitted by Representative DE PRIEST, of Illinois, to pre-